

DAILY REPORT

China

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ENVOY ADDRESSES GENEVA DISARMAMENT CONFERENCE

OW141720 Beijing XINHUA in English 1702 GMT 14 Feb 86

[Text] Geneva, February 13 (XINHUA) -- China today urged the United States and the Soviet Union to conduct disarmament negotiations in real earnest and reach agreement on the drastic reduction of nuclear armaments and the cessation of the arms race in outer space.

Speaking at the U.N. Conference on Disarmament here today, Qian Jiadong, China's disarmament ambassador and leader of the Chinese delegation, said that both sides have expressed their willingness "to assume their special responsibilities for disarmament and have agreed to take the lead in reducing arms," though their positions remain apart. "They have both stated as an ultimate goal to completely eliminate nuclear arms everywhere and set a 50-percent as their first target." However, he pointed out, the improvement of the situation "is still limited and falls far short of the world people's aspiration and the desire for peace and security." The arms race is continuing, the root cause of tension remains and the danger of war has not been removed, he added.

Ambassador Qian said that in order to achieve a genuine relaxation of the world situation and guarantee world peace and security, the United States and the Soviet Union "should take concrete actions, arrest their rivalries in the 'hot spots', conduct disarmament negotiations in real earnest and reach agreements on the drastic reduction of nuclear armaments and the cessation of an arms race in outer space, so as to create conditions for the realization of a world without nuclear arms." He reiterated China's view that "the fundamental approach to the prevention of nuclear war lies in the complete prohibition and total destruction of nuclear weapons", and recalled a proposal put forward by China at the U.N. second special session on disarmament with the aim of achieving this goal step by step.

Since the nuclear capabilities of both the USA and USSR have long since exceeded the level of "over-kill," the ambassador noted, "there will still be enough nuclear weapons to destroy the world more than once even if their arsenals are cut by half." Therefore, he said, China has proposed that all nuclear states, the two big nuclear powers in particular, "should undertake not to be the first to use nuclear weapons in any circumstances and should unconditionally undertake not to use or threaten to use nuclear weapons against non-nuclear states or nuclear-free zones. Proceeding on such a basis, an international convention prohibiting the use of nuclear weapons should be concluded, with the participation of all nuclear states."

On the issue of a nuclear test ban, the Chinese ambassador announced that if an ad hoc committee on nuclear test ban is established this year, "the Chinese delegation will participate in its work." On the arms race in outer space, Ambassador Qian said that development of space weapons can only further aggravate and escalate the arms race, bringing greater instability to the world. "The efforts to stop an arms race in outer space has reached a crucial juncture when something must be done. Otherwise, there will be no end of trouble for the future," he declared. Therefore, he added, China has proposed that "the United States and the Soviet Union should immediately stop the arms race in all its forms in outer space. All countries with a space capability should refrain from developing, testing or deploying outer space weaponry. An international agreement on the complete prohibition and destruction of outer space weaponry should be concluded as soon as possible."

Ambassador Qian suggested that at the present stage, the "de-weaponization of outer space" be made the primary objective in the efforts to prevent an arms race in outer space.

On chemical weapons, Qian said that it has entered the stage of developing and working out a draft convention on the complete prohibition of such weapons. However, he noted that "tremendous work has yet to be done, and divergences on some key issues still remain".

On conventional disarmament, he said that a conventional war is the most real threat and there exists the danger of a conventional war escalating into a nuclear war. Therefore, "the efforts for nuclear disarmament should be combined with that for conventional disarmament," he added. The Chinese ambassador concluded that "the danger of war still exists, but the forces deterring war are growing. We are confident that so long as the people of all countries united, cooperate and make joint efforts, world peace can be preserved."

DELEGATION ATTENDS UN CONFERENCE ON DRUGS

OW151602 Beijing XINHUA English 1433 GMT 15 Feb 86

[Text] Vienna, February 14 (XINHUA) -- The 9th special conference of the U.N. Commission on Narcotic Drugs today approved a resolution, proposing new measures to prevent drug abuse and combat drug trafficking in the world. The resolution on the drafting of the document "Guidance on the Drafting of an International Convention to Combat Drug Trafficking" covers 14 aspects concerning punishment to drug smugglers, supervision and management of narcotic drugs and cooperation among countries concerned. It includes identification, tracing, freezing and forfeiture of proceeds of drug trafficking; measures to monitor or control specific chemicals, solvents and precursors used in the illegal processing or manufacture of controlled drugs; and strengthening cooperation among countries to provide mutual legal and judicial assistance in cases relating to drug trafficking, and promotion of mutual assistance in investigative and prosecutorial matters.

The resolution will be submitted to the 32th U.N. Commission on Narcotic Drugs for approval. Delegates from the 40 member countries of the commission including China pointed to the aggravating drug abuses and the new means of drug smuggling. They agreed that a new treaty on combating drug trafficking is necessary as the basic contents of the "treaty on narcotic drugs, 1961" and the "treaty on psychological drugs, 1971" are no longer sufficient to cope with the present situation. The Chinese delegation, which attended the conference for the first time, expressed its support for the drug control efforts, proposing that supervision and control on some chemical products related to drugs should also be applied and the cooperation between judicial departments and commercial companies should be strengthened. The conference is scheduled to close on February 21.

PRC, INDIA TO HOST FOOD POLICY WORKSHOP

OW171338 Beijing XINHUA in English 1321 GMT 17 Feb 86

[Text] Beijing, February 17 (XINHUA) -- A workshop will bring 25 African food policy specialists to India and China for the first two weeks in May, announced Alain Vidal-Naquet, head of the office of the World Food Council, at a press conference here today. The workshop, to be organized by the World Food Council, will enable African food policy-makers to review the experience of their Asian counterparts in the area of food production and consumption issues. It is arranged "in the light of the remarkable progress made by Asian countries in increasing their food output and the ongoing efforts of the African countries to overcome their food crisis and move progressively toward food self-reliance," said Alain Vidal-Naquet. China and India have invited the World Food Council to hold a workshop in their countries and will provide a forum for a frank exchange of views between food policy-makers of the two regions. ☺

The two countries have taken policy measures leading to a dramatic increase in food production. India, which had to import ten million tons of grain in 1966 to avert food disaster, now possesses substantial food reserves (30 million tons). In China, grain production went up from 304 million tons in 1978 to 407 million tons in 1984. Topics at the workshop will include agricultural research, training, price policies, producer incentives, water management and irrigation technology, and special programs to reach vulnerable groups still facing malnutrition or hunger. The workshop was called for at the eleventh ministerial session of the World Food Council (Paris, June 1985) as part of inter-regional co-operation among developing countries. The workshop will also be attended by Asian experts and representatives of international organizations concerned with food issues.

LUO YI PRESENTS STATEMENT AT AFRO-ASIAN SEMINAR

OW130644 Beijing XINHUA in English 0636 GMT 13 Feb 86

[Text] Baghdad, February 12 (XINHUA) -- The "Afro-Asian Seminar on Role of Trade Unions in Development" under the auspices of the Arab Labour Organization closed here today after ten days' meeting. Trade Union representatives from 18 Afro-Asian countries attended the seminar. Iraqi Minister of Labour and Social Affairs Babakr Mahmud Rasul and leading members of the Arab Labour Organization attended the inauguration of the seminar.

Chinese trade union representative Luo Yi said in his written statement that the principal task of the Chinese trade unions is to mobilize and organize the workers to participate in the national economic and social development and to work for China's socialist modernization. The African trade union representatives criticized the Western countries and the international fund organizations for discriminations against the African developing countries. They reiterated their determination to develop their economy by relying on their own efforts and resources. The seminar also discussed the economic development of Iraq, the cooperation between Afro-Asian trade unions, and the cooperation between Arab and African countries.

WAN LI AWARDED OLYMPIC ORDER FOR CONTRIBUTION

OW130808 Beijing XINHUA in English 0731 GMT 13 Feb 86

[Text] Geneva, February 12 (XINHUA) -- The International Olympic Committee (IOC) has decided to award Chinese Vice-Premier Wan Li a gold Olympic order for his contribution to the Olympic Movement in the world's most populous country. The decision was made at a three-day meeting of the IOC executive board which ended in Lausanne today. The meeting also decided to confer Huang Zhong, vice-chairman of the National Olympic Committee of China, a silver Olympic order. The IOC by another decision will award a Olympic cup to the National Olympic Committee of China for its efforts to help build up sports facilities in developing countries, African countries in particular.

LI PENG GREET'S ANTARCTIC SURVEY STATION

OW160219 Beijing Domestic Service in Mandarin 0200 GMT 15 Feb 86

[Text] Vice Premier Li Peng recently cabled all comrades at the Chinese antarctic survey station, who are far away from their motherland and their relatives. In the message, Li Peng extended his festive greetings to them and wished them greater success in their survey work.

FORMER U.S. ENVOY ON 'STABLE BASIS' OF TIES

OW170800 Beijing XINHUA in English 0735 GMT 17 Feb 86

[Text] New York, February 16 (XINHUA) -- Former U.S. Ambassador to China Arthur Hummel said today that U.S.-China relations had entered a more mature stage and future ties would be marked by continuing stability. Addressing the closing session of the China-in-Transition conference being held in Columbia University, New York, the former ambassador said: "We are now on a sounder and more stable basis in our bilateral relations than we have ever been," and, "we are understanding each other better than we've ever been. Consequently, we are less likely to make mistakes, and mistaking judgement about consequence of our actions and our demands on each other. We are freer from illusion."

He went on to trace the causes of the changes. China, he said, has been pursuing an independent foreign policy for many years. The parallelism manifested in the U.S. and China policies in 1970s "is now less visible, as China largely supports the Third World policies and therefore often is sharp and vocal disagreement with some of the policies of the United States," he explained.

China is now seeking normal relations with the Soviet Union and reduction of tension following 25 years of confrontation, he said, adding, "We do not see that the U.S. interests are threatened by this. China is far away from a policy of equal distance between Moscow and Washington, as some have asserted."

Hummel told the conference that Chinese are now determined to reform and revitalize their country, they need outside capital, managerial skills and technology as well as a peaceful environment. It is in the U.S. interest that "we want to see China integrate with the West economically, and we see opportunity for mutually beneficial trade," he said.

The three-day conference was sponsored by the Columbia University in association with other institutions including the Asia Society. Speakers at the conference focused on China's social, economic and political development over the past few years. Hummel said he was encouraged by the flourishing economic and cultural exchanges between the two countries. At present, he said, the United States is China's third largest trading partner, next only to Hong Kong and Japan, accounting for about 15 percent of China's total foreign trade a year. Future prospects are bright as the two countries have many areas that offer opportunities for cooperation. But he conceded, that there are still obstacles that should be overcome. He shared the widespread Chinese complaints that the U.S. Government has failed to fulfill its promise to liberalize export control with regard to China. "I am sure," he said, "U.S. interest is served by further liberalization." Hummel did not agree with some in Washington who believed that if U.S. does not sell a particular piece of advanced hardware, China then can not acquire it from any other country.

One disagreement between China and the United States is Taiwan. He said the issue of Taiwan should be solved by the Chinese themselves. The U.S. should abide by the relevant joint communiques. He said the Taiwan issue has proven to be manageable and would not get out of hand. Commenting on China's reform, Hummel noted that the reform was successful and progress visible. "It was natural that in such a far-reaching effort to reform China's system there will be some unseen problems, corrections and strains," he added.

Hummel did not agree with some foreign commentator who, he said, "exaggerated the significance of the different point of views in China. I know of no person or faction in China who is willing to proceed in a fundamentally different direction -- a direction that would close the Chinese door to the outside world." "I believe that we will continue to see steady and stable Chinese policies and there is agreement among all the Chinese leaders that the main lines of the present reform should be continued." Hummel concluded.

INVESTORS PROFIT FROM XIAMEN ECONOMIC ZONE

OW151752 Beijing XINHUA in English 1626 GMT 15 Feb 86

[Text] Xiamen, February 15 (XINHUA) -- Investors from the United States have found that they can make profits in the Xiamen Special Economic Zone (SEZ), Fujian Province. Four Sino-U.S. joint ventures or cooperative businesses have gone into operation since Xiamen became an SEZ six years ago to offer foreign firms preferential treatment, local official Li Changjiang said here. He cited the Xiamen tobacco factory, a joint venture with the Reynolds Tobacco International Company of the U.S., as one of the successful ones. The factory has sold 30 million yuan (about 10 million U.S. dollars)-worth of "Camel" brand cigarettes in China since its inauguration in October 1980, said factory official Hong Guoxun.

Reynolds has decided to invest 10 million U.S. dollars in a new joint venture -- the Huamei (Sino-U.S.) Cigarette Company -- with the Xiamen authorities. The new company is to open later this year and will produce 30,000 cases of "Camel", "Winston" and "Salem" brand cigarettes a year, one-sixth of which will be for export. The Xiamen beverage factory, a cooperative business with the Coca-Cola company, has turned out 27 million bottles of soft drinks since going into operation in October 1984. As a result, it earned 800,000 U.S. dollars in profits in the first year, a factory official said. The Xiamen pleasure boat company has co-produced 32 yachts for export with the Celestial Yacht Company, earning 4.3 million U.S. dollars. Another Sino-U.S. cooperative business building radar equipment has earned more than half a million U.S. dollars in profits in 18 months.

"U.S. firms had invested about 21.7 million U.S. dollars in 10 joint ventures and cooperative businesses by the end of last year," Li Changjiang said. Areas of cooperation include production of microprocessors, cancer testing agents, dinner sets, bricks and paint, as well as international technical consultancy services. In addition, U.S. firms have transferred 20 items of technology to Xiamen, Li said. The biggest deal, worth 134 million U.S. dollars, involves technology for making color-sensitive materials transferred by the Kodak company, he added.

CRITICISM OF POPULATION POLICY REFUTED

OW161343 Beijing in Mandarin to Taiwan 0130 GMT 16 Feb 86

["State Affairs Forum" talk by (Liu Wei)]

[Excerpts] Listeners and friends: Planned parenthood is an issue that affects not only women's rights but also determines the rise or fall of a nation and the future of a country. Therefore, the government of our motherland regards planned parenthood a basic national policy.

China's policy on planned parenthood has won wide acclaim the world over. However, it has been distorted and attacked by the United States. The U.S. International Development Agency issued a statement on 25 September 1985, distorting China's population policy and falsely accusing it of practicing forced abortion, and announced its decision to withhold \$10 million of its pledged contribution to the U.N. fund that year. A spokesman of the Chinese Foreign Ministry and China's State Family Planning Commission strongly condemned the United States for wantonly interfering in China's internal affairs. World public opinion also expressed dissatisfaction over the U.S. action in this regard. (Zaitons), general secretary of the UN Fund for Population Activities, issued a statement refuting the U.S. attack on China's population policy. UN Secretary General Perez de Cuellar also openly expressed disappointment over the U.S. decision.

I am sure that you listeners are also concerned about this sensitive issue.

China has made rapid progress in the development of its national economy. Total grain output in 1985 reached 650 billion jin, a 94 percent increase over 1953. However, the per capita grain share increased by only 14 percent during that period. Although China's total grain output exceeds that of the United States, its per capita grain share is much lower.

China's rural population has increased every year, but the acreage of arable land remains the same. The increase of urban population has brought many problems in housing, transportation, education, employment, and public health. Bitter facts have made people realize that solution of the population issue brooks no further delay.

Listeners and friends: China has promoted family planning since the beginning of the 1970's, suggesting that a family could have only two children. After that, population experts conducted a study showing that China's population would reach 1.3 billion by the end of this century if a family has two children on average and that population growth like this would continue for another 70 years. This estimate forced China to readjust its policy on planned parenthood. At the end of 1979, it put forward its policy of one family, one child. In areas inhabited by people of minority nationalities, flexible family planning policy can be implemented according to local economic and social conditions.

Listeners and friends: China's policy on planned parenthood has been formulated on the basis of ideological education among the masses. In order to achieve the planned parenthood goal, China has mobilized all forces in society and made use of all kinds of propaganda to give wide publicity to the significant meaning of birth control and to disseminate theories on population and common knowledge on childbirth, birth control, and eugenics.

At the same time China has adopted a number of specific measures giving preferential treatment to families with one child only. For example, the government provides single-child families with a monthly subsidy. Preferential treatment is given to children from single-child families for entering childcare centers and schools, receiving medical treatment, and looking for jobs. Right now, the policy on family planning is known to every family throughout the country. It has become the conscious action of the broad masses of young people.

KANG SHIEN AT OIL EXPLORATION SIGNING CEREMONY

OW180758 Beijing XINHUA in English 0736 GMT 18 Feb 86

[Text] Beijing, February 18 (XINHUA) -- The China National Offshore Oil Corporation (CNOOC) signed a contract here today with Amoco Orient Petroleum Company for oil exploration and development of a block in the Pearl River mouth basin of the South China Sea.

It is the sixth contract signed since the second round of bidding for Sino-foreign joint oil undertaking offshore China began in November, 1984. The contract area covers an area of 639 square kilometers, and is about 220 kilometers off the Shenzhen Special Economic Zone in Guangdong Province. Water depth is about 120 meters. Amoco Orient also participated in China's first round of bidding for its offshore oil program (1982-1983), and a contract area awarded to the company then is adjacent to the area awarded today.

The signing ceremony was held in the Great Hall of the People. The contract was signed by CNOOC President Qin Wencai and Amoco Corporation President H. Lawrence Fuller. The ceremony was attended by State Councillor Kang Shien, Petroleum Minister Wang Tao, and U.S. Ambassador to China H.E. Winston Lord. Kang Shien met with Mr. Fuller and his party prior to the ceremony. Six petroleum contracts signed with 12 companies from five countries in the second round of bidding cover a total area of 34,012 square kilometers.

REAGAN'S ADVISERS ARGUE RESPONSE TO GORBACHEV

OW152108 Beijing XINHUA in English 1909 GMT 15 Feb 86

[Text] Washington, February 15 (XINHUA) -- President Ronald Reagan's arms-control advisers are urging him to respond positively to Soviet leader Mikhail Gorbachev's initiative on nuclear disarmament, but they remain divided over what new elements to include in the positive response. According to today's WASHINGTON POST, Reagan's senior advisers met yesterday but remained divided over the elements of the "positive" response to Gorbachev's latest arms control proposal.

Yesterday's meeting was called at the State Department to hear reports from special U.S. envoys Paul Nitze and Edward Rowny on their recent consultations with some West European and Asian countries on possible U.S. response to Moscow. The Soviet leader urged in a statement on January 16 that both countries reduce the number of missiles in Europe to zero, linking the reduction to a freeze of British and French nuclear systems and a U.S. pledge not to transfer nuclear systems to European allies. The ASSOCIATED PRESS today quoted a senior U.S. administration official as saying that disagreements among the Pentagon, the State Department and the Arms Control and Disarmament Agency (ACDA) remained but an agreement on recommendations to the President was reached.

The State Department and ACDA were reported to stand for a U.S. proposal to eliminate U.S. Pershing II and ground-launched cruise missiles and Soviet SS-20 and SS-4 intermediate-range missiles in Europe. The Defense Department, however, was reluctant to make any positive response to Gorbachev's proposals, arguing that they are linked to unacceptable provisions and thus have only propaganda value. Nevertheless, the official said, "there is general agreement, without getting into the details, we should respond in a positive vein to the Gorbachev initiative."

SOVIET JOURNAL CITED ON SOCIALIST STATE RELATIONS

HK141023 Beijing WENZHAI BAO in Chinese No 283, 2 Feb 86 p 4

[Article from 13 January LILUN XINXI BAO [Theory Information Journal] by Li Fangzhong: "Soviet Union Studies New Trends in Relations Between Socialist States"]

[Text] The No 5 issue of the magazine RABOCHIY KLASS I SOVREMEN'NY MIR, published in the Soviet Union last October, carried an article entitled "Political Relations Among Socialist States." After dwelling on the process of development of the relations among socialist states, the article pointed out, with the current situation in mind: "In interstate relations among fraternal countries, we must correctly understand and actually realize the socialist principle of relations among partners. It is very important that we clearly recognize the fact that, in our approach to the establishment and perfection of democratic principles in this area, we must follow a pattern different from that in the domestic field. It is common knowledge that, given a new system, a reliable guide to the development of the whole system of social relations is democratic centralism. But such an interpretation is correct only within the confines of a society. In the field of interstate relations between socialist countries, democratic centralism does not determine the nature and future of such relations."

In light of relevant writings in the Soviet Union, the article also pointed out: "To attempt putting the essence of socialist internationalism in terms of the relations between what is more important or less important, or to put forward something like subordinating the principle of respect for the sovereignty of socialist states to another, more exalted principle concerning their mutual relations -- the principle of unity -- this, it seems, is open to doubt. Such an interpretation smacks of not having seen or of having overlooked those processes that have taken place in the world socialist system and in new international relations. These processes call for harmoniously combining the national and international factors in the development of socialist countries and especially in their mutual coordination, and not doing so with distinction between what is more important or less important."

BEIJING RUSSIAN CRITICIZES USSR ON AFGHANISTAN

OW141157 Beijing in Russian to the USSR 1800 GMT 13 Feb 86

[Unattributed commentary]

[Text] Recently, Soviet officials have said in relation to the Afghan question that supposedly the situation has already returned to normal, and that the Afghan question will disappear naturally within 3-5 years. This is an unadulterated lie. By fabricating these lies the Soviet Union is pursuing a goal that will extricate it from growing isolation on the Afghanistan question and create an excuse for continuing its military presence there.

According to this statement by the Soviet Union, the serious question of Soviet aggression against Afghanistan no longer exists, the struggle of the Afghan people against aggression has ceased, and the people of the world no longer have any cause to watch this world hotspot. However, this statement by Moscow officials is without foundation, for the situation in Afghanistan is far from normal. There is only one criterion for normalization in this country: Has the independence, sovereignty, and nonaligned status of Afghanistan been restored? The Afghan question arose as the result of aggression by and interference of the Armed Forces of the Soviet Union, a superpower against one of the weak, independent, sovereign, and nonaligned neighboring countries of the Third World.

The exceptionally abnormal and serious situation in this country threatens security and stability in this region and Asia as a whole. The armed aggression of the Soviet Union brought unprecedented calamity to the Afghan nation. Hundreds of thousands of Afghans were brutally murdered, numerous villages were turned into ruins, a large part of peasant lands were laid waste, and the people are suffering. Moreover, nearly a quarter of Afghanistan's population was forced to leave their homeland to escape abroad and become a heavy burden to neighboring countries. Today, 120,000 Soviet troops are still in Afghanistan. With the help of airplanes, tanks, and cannons they daily exterminate the peaceful inhabitants of Afghanistan, violating the independence and sovereignty of this country. Can this sad situation in Afghanistan be called normalized? The portrayal by the Soviet authorities of their aggression and murder as a normal course of events was the very thing that betrayed their hegemonic nature.

Insisting that the Afghan question will resolve itself in 3-5 years, the Soviet Administration wishes only to suggest that its forces of aggression will not only remain in Afghanistan in the future, but will also be able to destroy the Afghan resistance forces in a short period of time. All aggressors always underestimate the strength of the people and overestimate their own strength. From the first day of the Soviet Union's armed invasion, the Afghan people rose to struggle against aggression. They did not bow their heads before the tyranny of hegemony.

The flame of the resistance struggle is raging across Afghanistan. The resistance of the people has caused great manpower and material losses to the aggressors. Now there are only some large and medium-size cities and main communication lines remaining under their control, and even in these places they often suffer partisan raids. Afghan resistance forces have not been destroyed and are even constantly growing in strength and size. They now number over 100,000 persons. The solidarity of resistance organizations is growing stronger. Resistance organization leaders and fighters have often firmly said they will continue to struggle in the name of the country's independence until the last drop of blood is shed, or until Soviet aggressors are expelled from Afghan territory.

The Soviet Union failed to subdue Afghanistan in the past and it will not achieve this aim in the future. If the Soviet Union does not stop armed intervention, the Afghan problem will not be solved and it will not disappear on its own. The only way to restore a normal situation in Afghanistan and solve the Afghan problem is through immediate, complete, and unconditional withdrawal of Soviet troops from Afghanistan in accordance with UN General Assembly resolutions and with Afghan people deciding their own destiny.

The Soviet Union has also spoken of its readiness to solve the Afghan problem through political means. But it obstinately refuses to withdraw its troops. If the Soviet Union is sincere, it should take practical steps on this issue and not resort to fabricating lies and deceiving itself and others.

TASS ON U.S. ATTEMPT TO ANNEX TRUST TERRITORIES

OW150758 Beijing XINHUA in English 0746 GMT 15 Feb 86

[Text] Moscow, February 14 (XINHUA) -- The official Soviet news agency TASS today accused the United States of attempting to annex two parts of its trust territory in the Pacific by approving an agreement on "free association" of Washington with them. TASS said that the signing of a congressional bill by U.S. President Reagan on "free association" between the United States and the Marshall Islands and the Federated States of Micronesia in the Pacific concluded its four-decade-long "forced transformation" of Micronesia into its "neo-colonial possessions." The move is "in evident violation of international law," it said.

Located in the west Pacific, Micronesia consists of more than 2,000 isles. In 1947, the United States was granted a mandate to administer Micronesia as a U.N. trust territory. The mandated territory is composed of four political entities -- Marshall Islands, Federated States of Micronesia, the Marianas Islands and the Palau Islands. Of these, the Marianas opted to become a U.S. commonwealth. The other three initialled a compact of free association in 1980. The compact gives self-government to the peoples of the islands, but the U.S. retains absolute authority over defense.

The United States, TASS charged, instead of promoting the political, economic and social progress of Micronesia, "has done everything to deny the Micronesian people independence, sovereignty and the possibility of self-determination." It complained that Micronesia's "self-sufficiency is currently far lower than during the initial period of the trusteeship and that the United States had transformed the territory into a "military place d'armes." It said that the agreements give Washington exclusive control of the territories' military, external and economic affairs. "Any change in the status of a strategic trust area" should be made only by a decision of the U.N. Security Council, TASS stressed, adding that it therefore "cannot be effected by the administering power." The United Nations, the statement said, should ensure the exercise by the Micronesian people of their natural right to establish a united independent state.

PRAVDA ANSWERS LETTERS ON 'UNHEALTHY TENDENCIES'

OW141134 Beijing XINHUA in English 1118 GMT 14 Feb 86

[Text] Moscow, February 13 (XINHUA) -- Many Soviets have sharply criticized the unhealthy tendencies within the CPSU including the special privileges enjoyed by high party officials. The Communist Party organ PRAVDA published today a roundup of readers' letters in the columns "preparing for the Party's 27th National Congress" which is to open on February 25.

A worker said in his letter that between the party Central Committee and the working masses there is "an inert, sluggish and sticky administrative stratum" which is opposed to any fundamental changes. Some readers pointed out that special shops, restaurants and hospitals for high officials "in fact exacerbate social inequality." They claimed that "leaders can enjoy high salary but no other privileges." They held that these leaders will not easily give up their privileges. Therefore, it is necessary to have a "fundamental purge" of the Soviet apparatus.

Referring to readers' criticisms of bureaucracy and cases of corruption by party and government officials, PRAVDA said that "it is a very difficult thing to change our life. There are and will be diehards and backward elements, gossipers, bureaucrats and corrupt officials on our way ahead. These people pay lip service to party resolutions but are actually afraid of reforms. So they are trying by hook or by crook to slow our movement ahead."

S. KOREAN OPPOSITION CALLS FOR NEW CONSTITUTION

OW160716 Beijing XINHUA in English 0643 GMT 16 Feb 86

["Round Up: South Korean Opposition Parties Call for Revision of Constitution (by Gao Haorong)" -- XINHUA headline]

[Text] Pyongyang, February 15 (XINHUA) -- South Korean opposition parties have recently initiated a campaign to collect ten million signatures to press for revision of the constitution enacted by the Chon Tu-hwan authorities on October 22, 1980. The current Constitution was put into force at a time when the emergency martial law, enforced after the assassination of "President" Pak Chung-hui, had not been lifted. Earlier, on May 18, an uprising broke out in Kwangju City. Some 200,000 people demonstrated against the emergency martial law. In the nine-day struggle, 170 people were killed, 380 others injured and another 1,000 were arrested. Meanwhile, many people in the political circles were purged and prohibited from taking part in all political activity.

Under the Constitution, the administrative, legislative and judicial powers were placed in the hands of the "president". On February 25, 1981, Chon Tu-hwan was elected "president" by the so-called presidential electoral college. Ever since its adoption, the Constitution has been rejected by opposition parties and the majority of people in South Korea. The New Korea Democratic Party (NKDP), the No 1 opposition party, has been calling for "direct presidential elections" since its founding on January 18, 1985. On February 12 this year, the NKDP and several other democratic groups launched a signature drive as part of the efforts to press the Seoul authorities to revise the Constitution. Democratic personages Kim Tae-chung, Kim Yong-sam and NKDP President Yi Min-u were among the first 300 people to sign their names.

A joint statement issued by the NKDP and the Council for the Promotion of Democracy said that the Constitution was drawn up and promulgated in an undemocratic way and therefore lacked legitimacy. The signature campaign has won wide support from other opposition parties and students. Seoul University and many other schools of higher learning have established Constitution revision organizations. On February 4, more than 1,000 students from 14 universities in Seoul set up an alliance in support of the signature drive. However, the requests by the opposition parties and the public have been rejected by the ruling Democratic Justice Party headed by Chon Tu-hwan. In his new year speech, Chon said the discussion of the Constitution revision issue would be postponed until 1989, and claimed that direct presidential elections did not fit in with South Korea. Therefore when the signature campaign started last Wednesday and tended to spread to other parts of South Korea, the Seoul authorities began to crack down on the campaign. They put Kim Tae-chung under house arrest and forced Kim Yong-sam to leave the place for signature. The police ransacked the sponsors' offices and confiscated documents there. The people in charge of the campaign were also arrested. In addition, the authorities claimed that they would make an investigation on all the people involved in the campaign and punish them according to "law." The Seoul authorities have been intensifying their control over universities these days. The schools' contacts with outside are banned.

Despite the authorities' measures of suppression, opposition parties refuse to give up their struggle for democracy. Kim Yong-sam, who condemned such suppression as the same as "imposing martial law," told reporters that in fighting for democracy, he fears neither imprisonment nor death. After Kim Tae-chung was arrested, hundreds of people from various circles including his brother demonstrated against the "government's" atrocity. The NKDP demanded that the authorities stop persecuting Kim Tae-chung and declared that it would continue its struggle for "direct presidential elections."

JAPAN'S MIYAKE ISLAND PROTESTS U.S. BASE

OW151754 Beijing XINHUA in English 1633 GMT 15 Feb 86

[Text] Tokyo, February 15 (XINHUA) -- About 1,500 Miyake islanders today protested against the government's efforts for constructing a night landing practice base for the U.S. Navy, according to the local press.

A group of Diet (parliament) members of the ruling Liberal Democratic Party (LDP) were met by about 500 local protestors when they arrived at Miyake airport this morning on mission relating to the base project. The Diet members led by Masayuki Fujio, chairman of the LDP Policy Affairs Research Council, later inspected the Ako District of the island, where the planned base is to be constructed. About 1,000 people staged a second protest. The mayor of Miyake, Harno Terasawa, is a prominent opponent of the project.

Fujio said at a press conference today that the government and the LDP "are ready to do anything" for local people in exchange for construction of the base. 100 billion yen (about 53.7 million U.S. dollars) will be made available if necessary. He hoped the issue could be settled before the Tokyo summit of seven industrialized countries scheduled for May when U.S. President Ronald Reagan comes. Miyake is a small Pacific Island located about 180 kilometers south of Tokyo. The United States has been asking Japan for a new airport for night landing practice as the present U.S. Atsugi Base in Kanagawa Prefecture is "unsuitable." Japan pledged to make an alternative base.

U.S., JAPAN BEGIN 9-DAY JOINT MILITARY MANEUVER

OW171635 Beijing XINHUA in English 1502 GMT 17 Feb 86

[Text] Tokyo, February 17 (XINHUA) -- Japanese Ground Self-Defense Force (GSDF) and the U.S. Army today began a nine-day joint maneuver on snow-covered ground at a training field in Kamifurano on the Japanese island of Hokkaido, the Japanese KYODO NEWS SERVICE reported. This is the second winter drill for the GSDF, following a joint drill with the U.S. Marine Corps last winter.

Participating in the drill are a GSDF company of about 170 men from Rumoi, Hokkaido, a company of about 130 U.S. soldiers from Hawaii and 11 U.S. Green Berets from Okinawa. The maneuvers include ski training, live shell firing, liaison, and outdoor survival training. Meanwhile, the report said, the Japanese Air Self-Defense Force and U.S. Air Force units stationed in Japan also began a five-day joint exercise at the Japanese military base of Nyutabaru.

'VIETNAMIZATION' OF CAMBODIA SINCE 1979 OUTLINED

OW171444 Beijing XINHUA in English 1431 GMT 17 Feb 86

["Roundup: The Vietnamization of Kampuchea" -- XINHUA headline]

[Text] Beijing, February 17 (XINHUA) -- Although the Vietnamese have failed to wipe out the Kampuchean resistance forces on the battlefield during the past seven years, they have tried all means to Vietnamize the country.

In 1979, a "Kampuchean Workers Committee" was installed by the Vietnamese authorities to control various government and party organs of the Heng Samrin regime. Since 1980, Vietnam extended its control to the provincial level by sending a division of troops to each of the 19 Kampuchean provinces and adopting them as "sisters cities". In recent years, the Vietnamese have trained officers of the Heng Samrin regime in an effort to win their loyalty and purged dissidents in the government and party organs. Hanoi has also encouraged mass emigration to Kampuchea in an attempt to change its population structure. At present, the Vietnamese emigrants number in excess of 700,000. Further emigration of several hundred thousands is planned. Vietnamese in Phnom Penh make up more than 60 percent of the population.

Shops, companies and other services run by Vietnamese can be seen everywhere, especially along some key roads and some fertile areas. The Vietnamese occupation troops often force local people to share their houses and farmland with emigrants. The Vietnamese have also been forcibly indoctrinating Kampuchean into unconditional subservience to Vietnam. This is done by sending youths and children to Vietnam; forcing all schools to follow Vietnamese style education; and forcing Kampuchean students to study the Vietnamese language as the first foreign language and as a condition for entering a high school. The Vietnamese are also encouraging mixed marriages, especially among high ranking officers. The Battambang and Siem Reap Provinces alone are reported to have 10,000 persons of mixed blood.

A large amount of natural resources and products including rubber, lumber, grain, fish and pepper have been plundered by the Vietnamese in the past seven years. The Phnom Penh regime is virtually a branch institution of the Vietnamese Government, implementing the Vietnamization of Kampuchea.

SIHANOUK VOWS TO MAINTAIN UNITY WITH DK SIDE

OW160843 Beijing XINHUA in English 0835 GMT 16 Feb 86

[Text] Beijing, February 16 (XINHUA) -- Samdech Norodom Sihanouk, president of Democratic Kampuchea [DK], said he will maintain brotherly unity with the Democratic Kampuchea side, Radio Democratic Kampuchea reported today. In a letter sent by Sihanouk from Beijing on February 12 to Khieu Samphan, vice-chairman of Democratic Kampuchea and chairman of the Democratic Kampuchea side, and Son Sen, vice-chairman of the Democratic Kampuchea side, he said: "I pledge to maintain brotherly unity with the Democratic Kampuchea side in the sacred common struggle to liberate Kampuchea from the Vietnamese aggressors and colonialists."

The letter is in reply to the statement released by Khieu Samphan and Son Sen on the same day. The statement reiterated that the Democratic Kampuchea side's position on the roles of Samdech Norodom Sihanouk and his National United Front for an Independent, Neutral, Peaceful and Cooperative Kampuchea is unchanged. It reassured that Sihanouk is president of democratic Kampuchea and will remain so even after an eventual Vietnamese military pullout.

THAILAND TO DEPLOY NEW RADAR SYSTEM ALONG BORDER

OW150842 Beijing XINHUA in English 0815 GMT 15 Feb 86

[Text] Bangkok, February 15 (XINHUA) -- Thai troops will soon deploy a new radar system along the Thai-Kampuchean border, the local newspaper BANGKOK POST quoted informed sources as reporting today. The U.S.-made computerized equipment, called counter battery radar or "firefinders", can accurately pinpoint enemy guns and destroy them with just a few shells. It is capable of detecting mortars as well as artillery rounds fired from 105mm, 130mm, 150mm, 155mm, 175mm and eight-inch guns. By using the new mobile radars, Thai gunners will be able to pinpoint enemy artillery positions before the first wave of shells hit their targets.

The sources said that Thailand had ordered a number of firefinders last year and they would be delivered within the next two months. Thailand would be the first country in Southeast Asia to have such kind of sophisticated equipment. The sources also disclosed that 200 anti-tank missiles, launchers and other equipment were delivered to Thailand from the United States last January. The sources noted that the sale of advanced weapons to Thailand showed how much importance the United States placed on Thai security.

THAI MINISTER QUESTIONS VIETNAMESE GOOD WILL

OW161316 Beijing XINHUA in English 1301 GMT 16 Feb 86

[Text] Bangkok, February 16 (XINHUA) -- Thai Deputy Prime Minister Sitthi Sawetsila has pointed out that Hanoi's moves towards a political settlement of the Kampuchean issue are aimed at getting the world to accept the Vietnamese-installed Heng Samrin regime as a fait accompli. Sitthi, also foreign minister, made the remark in a recent exclusive interview with THE NATION REVIEW here.

"On the surface, Vietnam looks flexible, but as far as substance goes we have detected nothing new from the latest joint communique of the three Indochinese foreign ministers who met recently in Vientiane," Sitthi said. The Vietnamese "continue their military efforts to score further results but they are in a difficult situation in the field," he added. "The only thing we are concerned about now is the Vietnamization of Kampuchea," the minister stated. However, he noted, the longer the Vietnamese stay in Kampuchea, the stronger the anti-Vietnamese sentiment among the Kampuchean people will grow.

Sitthi said one of the reasons why the Vietnamese failed to launch a large-scale offensive against Kampuchean resistance along the Kampuchean-Thai border is that there are no targets on the border for the Vietnamese to attack as the resistance guerrillas have moved into the interior around Tonle Sap Lake. Other reasons included that Vietnam has sustained considerable damage and casualties as a result of the resistance activities and that it is waiting for an opportunity to negotiate a political settlement through diplomatic exercise.

HUANG HUA MEETS THAI CULTURE DELEGATION 14 FEB

OW141240 Beijing XINHUA in English 1212 GMT 14 Feb 86

[Text] Beijing, February 14 (XINHUA) -- Huang Hua, vice chairman of the Standing Committee of China's National People's Congress, met a Thai Government culture delegation led by Chuan Likphai, minister of education, here this afternoon. Both sides believed the visit of the delegation will promote the cultural exchanges between China and Thailand and enhance the friendship of the two peoples.

Present at the occasion were Zhu Muzhi, Chinese minister of culture, and Orachun Tanaphong, Thai ambassador to China. The Thai guests arrived here yesterday for a friendly visit to China at the invitation of Chinese Ministry of Culture.

COOPERATION ACCORDS SIGNED IN SINGAPORE

OW171615 Beijing XINHUA in English 1528 GMT 17 Feb 86

[Text] Singapore, February 17 (XINHUA) -- China and Singapore today signed cooperation agreements on tourism, civil aviation and exhibition. Liu Zhongyi, vice minister of the Chinese State Planning Commission and Lee Hsien Loong, minister of state of the Singapore Ministry of Trade and Industry, signed the agreements on behalf of their respective governments.

Also present on the occasion were Chinese State Councillor Gu Mu and Dr. Tony Tan Keng Yam, minister of the Singapore Ministry of Trade and Industry. Gu and his party arrived here for a visit on February 14.

FURTHER REPORTAGE ON PHILIPPINE ELECTIONS

Marcos Proclaimed Winner

OW151809 Beijing XINHUA in English 1707 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- President Marcos and his running mate Arturo Tolentino of the ruling party were proclaimed by the National Assembly tonight as the winners in the February 7 elections. According to the tabulation of votes cast in the elections, Marcos garnered 10,807,197 votes against opposition presidential candidate Corazon Aquino's 9,291,716, and Tolentino garnered 10,134,130 votes compared to opposition candidate Salvador Laurel's 9,173,105.

Before the proclamation, the opposition members of parliament walked out of the chamber after they failed to stop passage of the motion proclaiming the two winners.

Dispute With Catholic Bishops

OW151815 Beijing XINHUA in English 1656 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- President Marcos today termed the Catholic bishops' accusation of the government's fraud in the elections "most disturbing" and "truly regrettable", the PHILIPPINE NEWS AGENCY reported. The Catholic Bishops Conference of the Philippines (CBCP) issued a statement yesterday condemning the "unparalleled" fraudulence and irregularities in the polls and calling on the people to carry on "non-violent struggle" in the wake of the results of the elections.

In his letter to Ricardo Cardinal Vidal of Cebu, CBCP chairman, Marcos asked the CBCP to provide the government with a bill of particulars of charges raised by the church group. He said, "none of us can close our eyes to the dangerous implications of the bishop's proposal for the people to carry out a non-violent struggle against the government." However, if in the effort to list down irregularities the government is forced to take action against any member of the church, that does not mean the government is fighting the church itself, the president said. "It is important to bear this in mind because of the great phenomenon during the recent elections of members of the clergy and the religious traversing the bounds of the law because of their partisanship," he said.

Minority Leader on Results

OW152123 Beijing XINHUA in English 1843 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- Minority Floorleader Jose Laurel Jr. (opposition, Batangas), tonight told a news conference that the opposition is not happy with the proclamation of the two winners in the February 7 elections, the PHILIPPINE NEWS AGENCY reported. Laurel claimed that Mrs. Aquino actually won by 2.5 million votes and said he has documents to prove it. He added that the opposition will appeal to the Presidential Electoral Tribunal and is considering initiating impeachment proceedings against the officials of the Commission on Elections (Comelec). When asked whether the opposition would go back to the assembly after staging the walkout, Laurel said the opposition assemblymen are still entitled to this move. But he added they will consult first with their constituents, the PNA reported.

Opposition To Stage Protest

OW151608 Beijing XINHUA in English 1515 GMT 15 Feb 86

[Text] Manila, February 15 (XINHUA) -- The Philippine opposition is scheduled to stage a big rally for non-violent protest at the Rizal Park here at 3:00 p.m. tomorrow while Armed Forces Chief of Staff Gen. Fabian C. Ver today called an emergency meeting of all the major service commanders to discuss plans to deal with it. Lawyer Rene Saguisag said Mrs. Aquino will present a program of non-violent protest at the rally. He denied that the rally is intended to proclaim Mrs. Aquino president. "The rally is simply a people's victory rally and not a proclamation rally," Saguisag said.

Saguisag's denial came in the wake of reports that Mrs. Aquino is going to proclaim herself president, though her opponent of the ruling party, President Marcos, will be proclaimed officially by the National Assembly the winner in the February 7 elections. Earlier, President Marcos had said the government would continue to adopt a policy of maximum tolerance towards mass protest actions poised by the opposition. However, he warned that people committing such violations as stopping the delivery of goods or blocking traffic flow would be arrested and charged in court.

In an interview with newsmen upon his arrival from Baquio City, where he was guest of honor at the 81st anniversary of the Philippine Military Academy (PMA), Ver said one of the main issues in the meeting is to make plans for diffusing postelection tension prevailing in the country. He also reminded the major service commanders to alert their respective Civil Disturbance Control (CDC) units and contingency forces in connection with the scheduled opposition rally. An intelligence briefing was held "to assess the situation in view of the mounting tension" sweeping the country, particularly in Metro Manila, the PHILIPPINE NEWS AGENCY reported. Meanwhile, Ver instructed contingency elements and CDC units in Metro Manila not to bring guns during deployment and avoid confrontation with rallyists even as he placed all CDC elements under red alert. Ver denied the reported deployment of tanks and additional troops in Metro Manila as claimed by some opposition leaders.

Reagan Comments

OW160329 Beijing XINHUA in English 0313 GMT 16 Feb 86

[Text] Washington, February 15 (XINHUA) - President Ronald Reagan today called on the people of the Philippines to avoid violence and seek peaceful ways to bring about stability in their society, according to reports from Santa Barbara, California, where Reagan is having his holidays.

This was the U.S. President's first official reaction to the result of the Philippine election, which was announced yesterday by the Philippine National Assembly, declaring current President Ferdinand Marcos winner of the election. On the other hand, the Philippine opposition presidential candidate, Corazon Aquino, also claimed victory in the election and said that she would call a mass rally in Manila on Sunday to launch a nationwide campaign against President Marcos.

President Reagan said in a written statement, "We have followed with great interest and concern over the presidential and vice-presidential elections in the Philippines. As the Philippines is a close friend and ally, what happens to this nation and its people is of great importance to the United States." He reaffirmed that the United States maintains "strict neutrality" in the Philippine election. He appealed to both Marcos and Mrs Aquino to "work together" to make reforms in order to insure a "stable democracy" in the country.

While claiming the elections were marked by "heartening evidence of the continuing commitment of the Filipino people to the democratic process", he said: "It has already become evident, sadly, that the elections were marred by widespread fraud and violence" perpetrated largely by Marcos' ruling party. It was so extreme that the elections' credibility has been called into question both within the Philippines and in the United States," he said. In the last few days, many political figures and public opinion in the United States have voiced complaints and criticisms against the reported widespread fraud in the Philippine election.

Habib Meets Marcos, Aquino

OW171712 Beijing XINHUA in English 1631 GMT 17 Feb 86

[Text] Manila, February 17 (XINHUA) -- Philip Habib, special envoy of U.S. President Ronald Reagan, met here today with President Ferdinand Marcos and opposition leaders separately to discuss the conduct of the February 7 presidential election in the Philippines. In a two-hour closed door meeting with Marcos, according to a presidential press, Habib told the president he is here merely to "make observations" especially on the information which both the administration and the opposition may be willing to give him on the matter of violence and fraud alleged to have marked the polls. In a statement, Marcos said he was assured by Habib that he was here not to render judgment on the conduct of the polls nor to make any suggestion on the running of Philippine internal affairs.

Later, Habib met behind the closed door opposition leaders Corazon Aquino and her running mate Salvador Laurel. Mrs Aquino's spokesman Rene Saguisag said the two opposition leaders impressed upon Habib that they won the election but Marcos and the ruling party cheated them of their victory. They also told Habib that the massive fraud and terrorism that characterized the election has converted the country into a virtual tinderbox which can explode any time in protest to the Marcos continued rule, Saguisag said. "The crisis can only be resolved by a swift and orderly transition to the Aquino presidency, which the Filipino people have chosen in the polls," Saguisag quoted the two leaders as saying.

SOVIETS' WINTER CAMPAIGN IN AFGHANISTAN VIEWED

HK170506 Beijing RENMIN RIBAO in Chinese 16 Feb 86 p 6

[Report by RENMIN RIBAO correspondent Shi Zongxing: "Our Correspondent Analyzes Winter Fighting in Afghanistan"]

[Text] Islamabad, 14 Feb -- The fighting in Afghanistan this winter has been marked by the following characteristics compared with the six previous winters: The Soviet Army has stepped up its military assaults, the Afghan guerrillas have courageously resisted them, the two sides have fought at close quarters, and fighting has gone on continuously. In the words of a man in the Afghan resistance: "The fighting this winter has been fiercer than in any previous winter."

There has been no marked increase in the number of Soviet troops sent to commit aggression against Afghanistan, but many advanced weapons have been shipped in, including new types of aircraft, long-range artillery, and heavy tanks. Tactically, apart from continuing to take advantage of its "air superiority" to bomb and indiscriminately strafe areas of rebel activity, the Soviet Army has, beginning last year, frequently sent small groups to make shock attacks against the guerrillas. People in the Afghan resistance say that the Soviet Army often first sends in special agents to make a reconnaissance. After they have gathered intelligence, they rapidly transport the well-equipped shock forces to the battle areas by helicopter. These "shock" tactics caused losses among the guerrillas for a time.

The spearhead of the Soviet assault this winter remains directed at the areas around major cities and major military bases, areas close to the eastern and western frontiers, and major lines of communications. However, they have particularly stepped up their attacks on key points in the east and southeast of the country, bordering Pakistan. The Soviet Army has both military and diplomatic aims in doing this. Militarily, it is attempting to blockade the border and increase the winter supply difficulties for the guerrillas, with the aim of trapping the guerrillas in the ice and snow. Diplomatically, it is putting pressure on Pakistan in a vain bid to force its government to give up its principled stand in the political negotiations. The recent move of the Soviet Army and the Karmal authorities in sending a large number of agents to infiltrate Pakistan and carry out terrorist activities is also a part of their military attack plans.

In the face of the enemy's military pressure and winter supply difficulties, the guerrillas remain in high spirits and have scored new success in launching widespread and ingenious guerrilla warfare. Daily battle reports received here since the beginning of winter indicate that guerrillas are active throughout the whole of Afghanistan, and from the central provinces, always relatively peaceful before, reports are continually coming in of guerrillas inflicting heavy casualties on the enemy. As far as the guerrillas are concerned, a notable feature this winter is that they have stepped up their fighting in the northern provinces close to the Soviet border and attacked military installations in the enemy's rear. This tactic of "harassing the enemy's rear" has to a certain extent checked the Soviet attacks in other areas of Afghanistan. Another special feature is that, while wiping out the enemy's vital forces, the guerrillas have attached great importance to capturing battlefield booty. Guerrilla attacks are largely concentrated on enemy supply columns, barracks, and warehouses, and the large amounts of weapons, ammunition, and food taken from the enemy have eased the guerrillas' winter supply problems. In addition, the guerrillas have made further progress in coordinating their actions and launching joint operations. They have also gained more experience in waging guerrilla war.

A Kabul radio broadcast at the beginning of this month confirmed in a back-handed way that the Afghan guerrillas' fighting this winter has been highly effective. The radio acknowledged that in 6 provinces alone, more than 500 Soviet-Karmal troops were killed by the guerrillas in January, while several hundred were taken prisoner. Although these figures have been understated, they still indicate that the guerrillas have inflicted tremendous losses on the enemy.

At present the Soviet winter offensive is still under way, and preparations for the spring offensive are also in progress. It is expected that when the winter is over, Soviet military attacks on the resistance forces will become even more intense and the guerrillas will face even more severe tests. However, the experiences of the past 6 years show that no matter how rabid the aggressors, it is impossible for them to subdue the entire Afghan nation by force of arms. The fighting in Afghanistan will remain stalemated for quite a long time to come, but its basic trend will be favorable for the resistance forces and unfavorable for the enemy.

Soviets Step Up Operations

OW171633 Beijing XINHUA in English 1530 GMT 17 Feb 86

[Text] Islamabad, February 17 (XINHUA) -- Afghan guerrilla commander Hakio Aryubi has said that the Soviets, while talking about troops withdrawal from Afghanistan, are stepping up military offensives in various parts of Afghanistan. In an exclusive interview with XINHUA here today, Aryubi said despite the severe winter, the Soviet troops have intensified their attacks on the Afghan mujahidin (holy war fighters) in Qandahar, Helmand, Herat, Balkh, Nangarhar and Paktia Provinces of Afghanistan since the beginning of this year.

The staunch guerrilla commander came from Jaji District of Paktia Province just one week ago, where he had led a successful operation to repulse a large-scale Soviet thrust to the district early this month. He said a big Soviet force pushed forward to 'Ali Khel, the district town of Jaji on February 2 in a bid to provide food, arms and ammunition for the Soviet-Karmal troops beleaguered there by guerrillas for a long time. After getting the information of the Soviet invasion, he said, over 1,000 mujahidin converged on the Jaji battlefield from different parts of Paktia Province. They succeeded in fighting back the Soviet troops after destroying 18 Soviet tanks and military vehicles at Hasan Khel and Skander Khel with mines and rocket fire. Aryubi said the fierce fighting lasted for several days. Many Soviet soldiers were wiped out, lots of food and military supplies captured by the guerrillas while 8 mujahids laid down their lives and a few others sustained injuries.

The current winter, the commander said, witnessed no slackening of Soviet operations even in the hilly regions where snowfall is up to one metre thick. However, they have failed to achieve their objectives. He said the guerrilla bases in Paktia Province have been strengthened and expanded. The guerrillas under his command are now equipped with more anti-aircraft guns and six wireless sets recently captured from the Soviet troops. Looking into the future course of the war in Afghanistan, the commander noted that it would be a protracted war. The Soviets will quit Afghanistan only when they are bled more on the battlefields, Aryubi observed. He also called for more international support to the Afghan mujahidin, both political and material, so that they can resist the Soviet troops more effectively.

RENMIN RIBAO URGES YOUTHS TO MAKE CONTRIBUTIONS

HK140728 Beijing RENMIN RIBAO in Chinese 6 Feb 86 p 1

[Commentator's article: "Make Contributions in the Practice of Four Modernizations"]

[Text] The times produce their heroes. The Chinese youth of the 1980's are a lucky generation. They are living in the great era of building the four modernizations, and the motherland calls on them to become useful people as early as possible. All ambitious young people would wish to make great contributions in the great drive of invigorating the Chinese nation and building the four modernizations.

How can the young become useful people? There have been many heated discussions of this question in recent years. Some stress young people's own efforts, while others stress objective environment. All their arguments are reasonable, but it seems that they have failed to stress one important aspect, that is, to become useful people, youths must have a correct political orientation and have a work style of closely linking themselves with practice and masses.

Since the 3d Plenary Session of the 11th CPC Central Committee, encouraged by the CPC Central Committee, "respecting knowledge and talented people" has become a prevailing custom of our times and a "study fever" and "attending school fever" has arisen among young people. This is an extremely good thing as well as a sign of our national invigoration, where the success of the four modernizations lies. However, the change from denigrating knowledge to respecting knowledge has just started, some necessary systems and measures have not yet been formulated; some people unduly stress diplomas or even equate diplomas with ability; and "study fever" became "diploma fever" for a while. Some young intellectuals have also been influenced by this practice. After they were assigned to their posts, some university graduates expended their main efforts not on their own work, but on studying foreign languages in order to study in graduate schools or abroad.

True, the construction of our country needs a great number of senior professionals. Studying in graduate schools to obtain a master's degree or a doctorate is a way to become useful, but not the only way. Only a handful of university graduates can attend graduate schools at present or in the future. Most university graduates have to study and upgrade themselves in their work and practice. In fact, many great scientists or scholars, ancient or contemporary, foreign or Chinese, achieved success by studying, researching, and struggling in practice. Even if one attends graduate school and obtains a masters degree or doctorate, he has to come back to practice, to continue his struggle, and to make contributions to the four modernizations. Only thus can he become a genuinely useful person. If a university graduate neglects his own work and pursues a higher diploma after being assigned to a practical post, it will be harmful to both the four modernizations and his own improvement.

Studying abroad and learning more advanced foreign science, technology, and management skills to serve the motherland is a good thing. As part of opening up to the outside world, we have sent students to study abroad in recent years, and great achievements have been made in this respect. In the future, we will continue to send some people to study abroad in a planned way. But only a handful of people have the chance to study abroad. The main duty of the inservice university graduates and graduate school students is to properly do their own work and earnestly study their own professions. This is the only correct road.

Young intellectuals have a feverish thirst for knowledge and wish to become useful people. This is very precious. But many people have been living among books, from primary school to secondary school and university to graduate school. What they know most is the achievements of famous people and the creation of individuals. They are thus apt to turn respecting knowledge into adoring famous people and ignore the role of the masses and practice. This shortcoming of young intellectuals can only be overcome when they go to the grass roots, go to the midst of practice, and go among the masses. Only by overcoming this shortcoming will they become genuinely useful people. A handful of university graduates now are unwilling to work in grass-roots units, believing that they cannot play their role there. In fact, no grand undertakings can dispense with grass-roots work. The grass-roots work in the four modernizations is an especially big furnace for tempering people and a good place to make contributions.

The motherland is calling, the times are calling, and the four modernizations cause is calling. High-minded young people -- go and practice, go among the masses, and go to the grass roots. China's new great scientists, inventors, politicians, economists, and other useful people will certainly emerge today. They are deeply rooted in practice, in the masses, and in the younger generation with ideals and knowledge.

ANTICHEMICAL CORPS STEPPING UP MODERNIZATION

HK160600 Beijing ZHONGGUO XINWEN SHE in Chinese 1218 GMT 14 Feb 86

[Text] Beijing, 14 Dec (ZHONGGUO XINWEN SHE) -- China's antichemical corps has built an integrated Army organization with its own special school and research institute and has developed considerable antichemical warfare capability. At present, all combined military units at and above the division level have their antichemical branches.

The antichemical corps (in foreign countries, they are called the chemical corps) is a military branch shouldering the task of guaranteeing the conduct of military actions under the conditions of a nuclear, chemical, or biological battle. This military branch was established in 1950 in China. It has been maturing over the past 30 years and more. All equipment for observation, reconnaissance, protection, cleaning, and disinfection is produced by China. The properties of such equipment has reached an advanced level. In particular, convenient and well-ventilated protective clothing can be made by only a small number of countries.

The antichemical corps has participated in all of China's nuclear tests and has also successfully fulfilled the tasks of guarding the test plots and conducting various surveys and tests. During the self-defense battles against Vietnam, the antichemical troops effectively cooperated with the infantry troops in wiping out the enemy at short range. They destroyed more than 1,500 forts and strongholds of the enemy. After the Tanshan earthquake in the summer of 1976, the antichemical corps sent some 200 soldiers and 4 disinfecting cars to participate in the rescue action. They effectively controlled environmental pollution and prevented pestilence after the serious natural disaster.

At present, the antinuclear, antichemical, and antibiological training of China's combined military units is undergoing three major changes: They have shifted the emphasis of their training from learning general knowledge about nuclear and chemical weapons to mastering the tactics and techniques of resisting attacks by those weapons; from studying the organization and equipment of the enemy to studying the enemy's principles, methods, and opportunities for using nuclear and chemical weapons; from training in personal protection skills to training in organizational protection actions of whole Army units.

China is now reducing the number of ordinary troops and strengthening special troops in order to raise the combat capacity of its Army. This is one of the purposes of the Chinese Army's streamlining and reform. As a special military branch, the antichemical corps is stepping up its modernization and the training of its commanders and soldiers. Sources in the antichemical corps said that they are making efforts to apply scientific achievements and new technologies and new materials to the development of highly efficient protective equipment, and they will intensify antinuclear and antichemical training so that the troops will be able to effectively fulfill all battle tasks in a future antinuclear war.

PLA DEPARTMENTS COMMEND AIR FORCE REGIMENT

OW161845Beijing XINHUA Domestic Service in Chinese 1545 GMT 16 Feb 86

[Text] Beijing, 16 Feb (XINHUA) -- The PLA General Staff and General Political Departments recently issued an order commending the commanders and fighters of an Air Force transport regiment for taking part in an emergency airlift to deliver relief goods to army men and people stranded in Xizang's Medong Prefecture.

The order, signed by Chief of General Staff Yang Dezhi and General Political Department Director Yu Qiuli, said: Due to successive torrential rains and snowstorms since last fall, roads in Xizang's Medong Prefecture were cut off, and the grain supply was running out. Many places in the prefecture lost communication with the outside world, and the people of various nationalities suffered all sorts of hardships. Upon receiving an order from higher authorities, the Air Force transport regiment immediately formed a group to deliver relief goods to Xizang. Using helicopters, the group continuously performed their mission in Medong Prefecture. Displaying the heroic and tenacious style of defying fatigue and struggling unswervingly, the commanders and fighters overcame altitude sickness, adverse weather conditions, and dangerous terrain to deliver large amounts of relief goods and personnel to areas stricken by disasters, thereby successfully accomplishing the mission.

The order pointed out: By using their helicopters to deliver disaster relief to the roof of the world, the regiment commanders and fighters have fully demonstrated the kind concern of the party Central Committee, the State Council, and the Central Military Commission for the army men and civilians in the frontier areas. It is hoped that units that have taken part in delivering relief goods will earnestly review their experience and work harder to contribute more to safeguarding and building the frontier.

BAN YUE TAN ADDRESSES RURAL PARTY RECTIFICATION

HK130311 Beijing BAN YUE TAN in Chinese No 2, 25 Jan 86 pp 26-28

[Article by BAN YUE TAN political editorial office: "Questions and Answers on Party Rectification in Rural Areas (Part II)"]

[Text] Question: What are the requirements for a qualified party member? Why must special emphasis be placed on the exemplary vanguard role of party members in the new historical period?

Answer: The requirements for a qualified party member are simply those set by the party Constitution. The exemplary vanguard role of party members is important in the new historical period. The major tasks of our party, which is in power, are to develop the economy and the forces of production. In daily work and life, party members endure contradictions between: overall and partial interests; collective and personal interests; long-term and immediate interests; and between becoming rich themselves and leading the masses to strive for common prosperity.

Party members must play an exemplary vanguard role in correctly solving these contradictions. Meanwhile, in the new historical period, another task of our party is to carry out reform. Under such circumstances, the situation is always changing; new problems crop up one after another and have to be tackled. Party members should, therefore make unceasing efforts to acquire new knowledge and stand at the forefront of reform. Only by so doing will they be able to guide the masses in the correct direction. This is why we must lay special stress on the exemplary vanguard role of party members in the new historical period.

Question: Why should we say that guiding the masses to strive for common prosperity is the main manifestation of the party's goal in the new historical period?

Answer: "Serving the people" should not merely be hollow words. They should be concretely manifested in many aspects. In different historical periods, the central task of our party is different, so the content of serving the people is also different. In the new historical period, the central task of our party is to lead the people of the whole country to build socialism, and the central task of primary party organizations and party members in rural areas is to build socialist modernization in the countryside. Changing the face of the rural areas as quickly as possible and leading the masses to strive for common prosperity are essential ingredients in serving the people in the new historical period. If a party member can set a good example in implementing party policies in rural areas and lead the masses to strive for common prosperity, this shows that he always thinks of the people's interests. His political consciousness is well-founded, and he is highly capable; thus he is qualified to be a party member.

Question: What should we do to acquire a correct party work style?

Answer: To this end, what is most important is that all party members, regardless of their position, should handle matters impartially and regard the interests of the party and the people above all else. Moreover, party member cadres in particular should take the overall interests into account and set an example within the party. Not only should they fully understand the importance of serving the people, but they should really do good turns for people. On the other hand, they should also have the courage to fight against all unhealthy tendencies and should not allow them to spread unchecked. Nor should they follow these tendencies at the expense of party principles.

Question: What should a party member do when trying to become a real model?

Answer: To achieve it, he should act in accordance with the following points:

1. Study hard, emancipate his mind, and work according to objective law. This requires a party member to fully understand Marxist-Leninist theory; acquire more cultural and scientific knowledge; regularly study party policies and current affairs; and have a good grasp of all necessary information. If not, he will have difficulty distinguishing between right and wrong under the new situation, and will fail to push reform and the commodity economy forward.
2. Attach importance to investigation and study and have a clear understanding of the situation so as to identify and tackle problems in good time. The situation in the rural areas changes very often, and we cannot size up the situation and do work well without investigation and study.
3. Dare to speak the truth. A party member should not tell lies under any circumstances. He should dare to report the real state of affairs to party organizations and have the courage to fight against the unhealthy trend within the party of failing to seek truth from facts. Those who hurt the interests of the party and the people through tellings lies in the past should make a conscientious self-examination and correct their mistakes in party rectification.

4. The aim of seeking truth from facts is being responsible for the people and the party. In terms of serving the people, this means that a party member should do the people more good turns. If a party member knows the actual conditions well and what measures should be taken, but he does not take any action, then his work style is by no means practical or realistic.

Question: How should party members play an exemplary role in observing discipline?

Answer: 1. Party members should always keep the interests of the party and the people in mind and safeguard party unity. They should be fair and square and observe discipline and state laws.

2. Party members should conscientiously study party policies and state laws so that they know what they ought and ought not to do, and what they can and cannot do. This will help them to judge what is right and what is wrong.

3. Party members should uphold the truth, cast away all considerations of pride, and dare to wage resolute struggle against all malfeasances. They should not act as those who try not to offend anybody and those who do everything through back-door relations.

4. Party members should deal with cases of malfeasance without delay and according to law and commend good observers of discipline and state laws so as to cultivate a strong sense of discipline and law. This is particularly important to leaders at all levels.

Question: Why should we say that the consolidation of leading bodies is the key to the building of primary party organizations in the countryside?

Answer: Apart from the might of its policies, the militancy of our party depends mainly on the strength of party organizations, and particularly the role of leadership. Long historical experience tells us that a good leading body has a direct bearing on whether the role of a primary party organization as a fighting bastion can be given full play or not.

Question: How shall we establish a perfect system of developing inner-party democracy?

Answer: We must first follow the principle of democratic centralism within the party, namely, centralism on the basis of democracy and democracy under centralized guidance. This facilitates the emergence of a strong democratic atmosphere within the party. Party members must be encouraged to speak out freely, and their correct viewpoints should be adopted through unanimous approval.

Furthermore, a system of ensuring that party members regularly participate in the activities of party organizations should be established within the party. These activities include meetings of party groups; membership meetings of party branches; meetings of party branch members; meetings of party committee members; meetings for maintaining the normal practice of democracy within the party; attendance at party lectures; elections within the party; reading party journals and inner-party documents; and other political activities within the party. In particular, primary party organizations which were paralyzed or almost paralyzed before party rectification should gradually institute the system of ensuring that party members regularly participate in the activities of party organizations in the course of party rectification and adhere to the system. They must make efforts to educate and supervise party members and build themselves into strong militant bastions.

CENTRAL CHINA DEVELOPMENT PROGRAM VIEWED

HK130811 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 5, 3 Feb 86 pp 6-7

[Article by Li Shiyi and Wu Ming: "China Prepares a Major Program for Economic Development of Its Central Areas -- First Forum on Strategies for Economic and Social Development in Central China Held in Wuhan"]

[Text] China's economic structural reform has induced a great change in the operation of its economy, namely, the increase in local economic strength and of horizontal economic ties among provinces, cities and autonomous regions. Under these circumstances, the Academies of Social Sciences of Henan, Hunan, Hubei, and Wuhan City held a forum in Wuhan earlier this year to discuss strategies for economic and social development in central China. The meeting has aroused people's interest about the economic development trends in central China.

Before now, China's economists have only discussed strategies for economic and social development in east China. Consequently, the Shanghai economic area, the Beijing-Tianjin-Tangshan economic area, the Bohai economic area, and the northeast China economic area emerged in turn as the times dictated, and economic and technological cooperation between local governments and civilian units became very active. After that, Yunnan, Guizhou, Sichuan, Guangxi and Chongqing held a joint meeting to discuss economic cooperation in southwest China following the forum on strategies for northwest China's development. As a result, economic relations and trade between these local governments has been strengthened. Many new signs indicate that China's policy of invigorating the domestic economy and opening up to the world has begun enlivening its economy from east to west.

Three Major Economic Regions and Development at Three Levels

After more than 30 years of economic construction, the unbalanced layout of production forces in China has changed greatly. In the past, 70 percent of the country's industries were concentrated along coastal areas. Now, a well-laid industrial foundation has been built in the hinterland of our country. However, the nation's economic development as a whole remains irrational. According to the level of China's economic development, natural and social resources, and the layout of its production forces, some experts have classified China's general economic trend into three different development levels represented by the following three economic regions:

The developed region in eastern China, which includes Liaoning, Hebei, Tianjin, Beijing, Shandong, Jiangsu, Shanghai, Fujian, Guangdong, and Zhejiang comprises 11.1 percent of the country's area and 37 percent of the nation's population; its industrial and agricultural output value constitutes 55.7 percent of the China's total output value.

The developing region in central China covers Heilongjiang, Jilin, Ningxia, Sichuan, Shanxi, Anhui, Jiangxi, Henan, Hunan, Hubei, Shaanxi, and Gansu. It comprises 30.9 percent of China's area and its population accounts for 49.1 percent of the nation's total. Its industrial and agricultural output constitutes 37.19 percent of the national gross output value.

The under-developed region in western China which includes Nei Monggol, Xinjiang, Qinghai, Xizang, Yunnan, Guizhou, and Guangxi covers 57.9 percent of the area of China and has a population of 13.4 percent of the nation's total. Its industrial and agricultural output makes up only 7.08 percent of the country's total output value.

Each of the three major economic regions has its own superiorities and inferiorities. The developed region in eastern China has a solid economic foundation and a higher degree of science and technology. It enjoys close ties with foreign countries in economic and technological fields but is short of energy and natural resources. There is a strain on transport, excessive development of urban construction, and a dense population. The under-developed region in western China is vast in areas, sparsely populated, and rich in natural resources. However, it has a weak economy, poor transport conditions, insufficient funds, and lacks good technological and social conditions. The developing region in central China has the strong points of both the other regions without their weak points. It is a very important strategic point for China's future economic development. Although China is concentrating its efforts on further developing the developed region in the east, it has begun to shift the focus of its economic development from the east to the central regions. China's economic experts attach great importance to the move.

Henan, Hubei and Hunan Are Richly Endowed by Nature

Henan, Hubei, Hunan, and Wuhan City are located in the central part of our country. People like to call them central China. They are bounded to the east by the Shanghai economic area, to the west by the southwest and northwest economic cooperation regions, and to the north by the Beijing-Tianjin-Tangshan economic cooperation region. Generally speaking, it is vital to China's overall economic layout.

Central China is one of the birthplaces of China's ancient culture. It covers an area of 560,000 square kilometers with a population of over 180 million. The nation's five railway arteries, the Beijing-Guangzhou line, Longhai line, Jiaozuo-Zhicheng line, Wuhan-Chongqing line and Hunan-Guizhou line crisscross central China. Air-freight terminals in Buhan, Zhengzhou, and Changsha radiate in all directions. The Chang Jiang and the Huang He run across the region from west to east. Shipping on the Han Shui, Xizang Shui, Zi Shui, Yuan Shui, Feng Shui and other tributaries of the Chang Jiang is well developed. Thanks to the development of the transport network, central China has become the crossroads of the country, and its economic development can radiate in different directions. It is an outlet for transporting grain from south to north, a transfer station for shipping coal from north to south, and a network for transmitting electric power from west to east. Wuhan City, historically known as the "thoroughfare to nine provinces," remains a much-used inland commercial port in China today.

A geological survey shows that in central China there are over 100 minerals useful for industrial development, and the deposits of most of these minerals rank first on the country's list. For example, proven deposits of coal, oil, natural gas, and bauxite in Henan Province place seventh, sixth, third and second in the country respectively. Reserves of phosphorus, rutile, wolastonite, and marlite in Hubei province all occupy first place in the country, and its deposits of iron, copper, gypsum, halite, gold, limestone, and fire clay rank sixth. Hunan Province enjoys a great reputation as a "land of nonferrous metals" and its reserves of wolfram, bismuth, antimony, and fluorite rank first in the country. In addition to its abundant waterpower resources, it is conducive to building industries whose manufacture entails high energy consumption by the state.

Describing central China as China's granary is an apt appraisal. The Jiangnan plain in Hubei Province and the Dongtinghu area in Hunan Province are usually called the "land of fish and rice." There is a saying that "two crops a year in both Hunan and Hubei can meet the needs of the whole country." Henan Province, situated in the south of the north China great plain, is rich in wheat, cotton and soya bean. Central China covers only 5.8 percent of the country's area, but its grain output in 1984 made up one fifth of the nation's total output; cotton output constituted 26 percent; and the gross output value of agriculture accounted for nearly 14 percent.

Thanks to rural reform carried out in recent years, the rural economy in central China has been moving toward specialization and large-scale commodity production from a small-scale peasant economy. Developed agriculture has provided highly favorable conditions for developing a variegated economy.

Central China has been built into an industrial base for steel, nonferrous metals, machine-building, power, textile, coal, oil, and building materials. Its industrial output value in 1985 was over 90 billion yuan, accounting for 12 percent of the nation's total. The well-known heavy machine-building base in Luoyang, the industrial base for textile and machine-building in Zhengzhou, the industrial base for steel, ship-building and machine-building in Wuhan, and the industrial base for motor vehicles in Shiyang are all located in central China. A number of large construction projects, such as the Zhongyuan oil field and the Yuxi coal base, will start very soon. Meanwhile, the Gezhou dam power station, the largest in the country, has basically been completed.

With expanded industrial production, a rural economy network is taking shape with the backing of the largest city, Wuhan, and other large cities such as Zhengzhou, Luoyang, Zhuzhou, and Changsha, as well as 40 small and medium-sized cities. The network includes three city groups such as the Zhengzhou-Luoyang-Wuhan City group and the Changsha-Zhuzhou-Xiangtan City group.

Scientific, technological and educational undertakings are fairly developed in central China. There are more than 120 universities and colleges with an enrollment of 200,000 students, and over 1,200 scientific research offices with a total of 1.36 million scientists and technicians.

This has all laid a good foundation in the material and technological fields for economic development in central China. Through an analysis of the aforementioned situation, experts believe that the three provinces and one city in central China, have paved the way for shifting the focus of the nation's economic development to the region. A top priority task is to make concerted efforts to adopt strategies and measures for economic development which are compatible with the actual situation of the region.

To Effect Full Cooperation in Developing Central China

After analyzing the present situation in central China, experts believe that central China combines the advantages of all the economic zones in potential and strength and enjoys comprehensive superiority in resources, technology, energy, water resources, communications, science, and so on. In order to make rational use of the objective production factors, the three provinces and one city in central China must develop "east-west convection," effect "mutual supplementing of production factors," and strengthen horizontal economic ties between the eastern and western part of China, so as to spur development of the region. As central China is in the center of commodity exchanges for the whole country, developing commodity and material exchanges with every key city in all directions will be conducive to its economic and technological cooperation with the outside world and the expansion of its markets.

Therefore, some experts have proposed: Make use of the Chang Jiang and base central China on Wuhan to promote the introduction of advanced foreign technology and strengthen cooperation with units in the interior; take as an aim the bolstering of central China's economic strength so as to vigorously develop the Chang Jiang and its tributaries together with southwest China; and develop interregional trade. With a view to achieving this strategic objective, we must adopt two countermeasures: First, implementation of the policy of opening up to the outside world in Wuhan, maintaining river and sea transportation there and making it a commercial port opening up to both foreign countries and other parts of the country, and creating the biggest trading port in central China and the interior; second, relax transportation policies to promote economic ties within the region and with other regions.

Experts have pointed out that for a long time, under the administrative structure of departments and regions at different levels, every province and city followed the practice of "being big and complete" and "small but complete" centering on self-circulation, thereby seriously restricting the display of the overall superiority of central China. For example, although Wuhan has many schools of higher learning, scientific and technological units, and all kinds of talented people, and although its scientific and technological strength ranks third among major cities in the country after Beijing and Shanghai, its overall superiority is not noticed, its scientific inventions are not outstanding taking the country as a whole, and it is less advanced than other localities in applied technology. Another example, despite its transportation superiority, is how central China has many goods in transit but few of its own. Notwithstanding its superiority, central China has not yet properly developed its natural resources. Therefore, in developing the economy, every province and city should not by any means neglect economic combination. Only by strengthening horizontal economic ties and making regions both cooperate with and supplement each other can central China produce greater overall economic results and serve "as a link" between the eastern and western parts of China.

In order to promote the alliance of the three provinces and one city in central China, some economists have proposed the breaking of the administrative boundaries of provinces and cities to establish a central China economic zone. Thus, a joint conference of all the provincial governors and mayors of the three provinces can form a coordinating organization to supplement each other with needed resources, and to develop reciprocal trade. They can hold consultations about issues of common interest such as jointly developing transportation and communications, setting up circulation, finance, and foreign trade networks, and so on. Meanwhile, consideration can be given to establishing a multilevel "association for cooperation between trades" to promote economic combination; opening up commodity and labor service markets in the three provinces and one city to effect reasonable accommodation of capital; developing the exchange of scientific and technological information; and jointly exploiting water and mineral resources, harnessing lakes and rivers so as to complement each other and bring fully into play every locality's advantages in industry, agriculture, science, technology, and so on.

Everything is ready and all that we need is an east wind. In the next 5 to 10 years China has decided to stress building up energy and raw material industries in central China while accelerating development in the eastern part of the country. Undoubtedly, this message caused a great shock wave in the three provinces and one city in central China. The symposium on economic development strategies held for the first time by members of economic circles in central China serves only as a prelude to the establishment and prosperity of the economic zone. In the immediate future, people can see that central China will play an important role on China's economic stage.

MACROECONOMIC MANAGEMENT, OPENING UP OUTLINED

HK110727 Beijing RENMIN RIBAO in Chinese 3 Feb 86 p 5

[Article by Zheng Ning, Han Jidong, and Tang Jianyu: "Strengthen Macroeconomic Management, Promote Economic Opening Up to the Outside World"]

[Text] Strengthen Macroeconomic Management Over the Work of Opening Up the Economy to the Outside World

Since the 3d Plenary Session of the 11th CPC Central Committee, China has attained great success in implementing the policy of opening up to the outside world.

However, lack of experience and failure of macroeconomic management to keep pace with the situation have also given rise to some problems. We should conscientiously study countermeasures and strengthen macroeconomic management in order to stimulate the sound development of opening up to the outside world.

Strengthening macroeconomic management over the work of opening up the economy to the outside world is aimed at solving current existing problems. Fundamentally speaking, it is also the objective demand of developing the socialist planned commodity economy. The extensive development of the socialist commodity economy may also lead to certain disorder in production. It is therefore necessary to carry out planned guidance and adjustment, as well as necessary administrative management. The more the economy is invigorated, the greater importance we should attach to macroeconomic management. Opening up the economy to the outside world is an organic component of the socialist planned commodity economy. It is likewise necessary to have the overall situation of the national economic development in mind and, in line with the requirements of the planned commodity economy, to apply various management methods and economic levers to strengthen macroeconomic regulation and unified planning in the work of opening up the economy.

It is also necessary to keep this in mind to correctly handle various complex relationships in opening up the economy, such as relationship between various open cities and zones in the coastal areas, relationships between these open cities and zones and the vast interior, relationships between the eastern, central, and western regions, relationships between imports and exports, relationships between using foreign capital and importing technology on the one hand and developing the national economy on the other, relationships between the long- and short-term strategic objectives of opening up the economy, and relationships between centralism and decentralization in foreign economic work and trade. In this way is it possible to conform the work of opening up the economy to the general requirement of developing the national economy and to develop foreign economic work and trade in a balanced and steady way. It is also necessary to point out that foreign economic work is, to a large extent, a point on which both the socialist and capitalist economies converge. Its development is restricted not only by the development of the domestic economy but also by the development of, and changes in, the international economy. In order to bring into full play our strong points, to steer clear of our weaknesses, and to take the initiative, it is also necessary, on the basis of stepping up the work of investigating, analyzing, and scientifically forecasting the international economic situation and the world market, to strengthen macroeconomic management over the work of opening up the economy.

Some Problems We Should Concentrate on Solving While Strengthening Macroeconomic Management

In our view, in order to strengthen macroeconomic management over the work of opening up the economy, it is necessary to proceed from the overall situation of national economic development and to concentrate on solving the following problems:

I. The development scope of the work of opening up the economy should be confined within a proper limit so that it can be suited to the development of the national economy.

1. Basing ourselves on the overall situation of national economic development and the financial capability of the state, we should correctly define the investment scope of economic and technological development and construction in the special economic zones and open coastal cities and zones.

Some time ago, there was excessive growth in the scope of investment in fixed assets and the contradiction between aggregate supply and aggregate demand was acute. Under the circumstances, it is necessary to properly control the investment scope of economic and technological development and construction in open coastal cities and zones and to concentrate our financial and material resources on the development and construction of key localities and projects.

2. It is necessary to correctly define the scope of using foreign capital and importing technology in line with our capability to earn foreign exchange through exports and to coordinate domestic funds and goods. The scope of using foreign capital and importing technology depends not only on our capability to digest and absorb foreign capital and technology but also on our ability to meet international payments and to coordinate domestic funds and goods. Regarding our ability to meet international payments, we must define the amount of foreign capital to be used on the basis of achieving a balance between international receipts and payments and maintaining a proper amount of foreign exchange reserve; we must also regard the work of increasing foreign exchange earnings through exports as a basis in opening up the economy. Moreover, the import of foreign capital should generally be coordinated with domestic funds and goods. For this reason, for a certain period the amount of foreign capital that can be used is also restricted by our ability to coordinate the necessary domestic funds and goods. Therefore, we should take into consideration foreign exchange receipts and payments and the comprehensive balance between funds and goods, satisfactorily handle the relationship between necessity and possibility, and define the proper scope of foreign capital to be used and technology to be imported. Only in this way can we attain good results.

II. It is necessary to correctly handle regional economic relationships in opening up to the outside world and to do a good job of rationally distributing the economy and technology. The regional economic relationships in opening up to the outside world are chiefly manifested in the relationships between the economically developed coastal areas in eastern China and the central and western regions, between the open coastal cities and the vast hinterland, and between the open coastal cities and zones on the one hand and the special economic zones on the other. In handling these regional economic relationships, we should abide by the principles of giving play to the superiority of each region, making allowance for the gaps between different regions, giving play to their strong points, steering clear of their weaknesses, laying particular emphasis on certain aspects, having a rational division of labor, and coordinating closely with one another. On the one hand, we should pay attention to arousing and bringing into play the initiative of various regions so that they can develop their foreign economic and trade relations in light of their superiorities and according to the times and local conditions. On the other hand, we should strengthen overall planning and centralized leadership and define different development priorities and targets for different regions in light of the different economic and technological levels between different regions and according to the principle of rationally distributing productive forces. In developing foreign economic relations, it is necessary to strengthen combination and cooperation between different regions.

III. Conscientious efforts should be made to improve economic results in using foreign capital, importing technology, and conducting foreign trade. Achievements in opening up cannot be judged solely by quantity or by a single aspect. They should be comprehensively judged from various aspects, such as quantity and quality, micro and macro points of view, and economy and society. To improve the macroeconomic results, we should correctly guide the investment direction of foreign capital so that the use of foreign capital and the import of technology can be combined with efforts to develop export trade, to improve foreign exchange earning capability, to raise our technological level, and to improve and adjust the structure of the national economy, as well as the structure of import and export trade.

Ways and Means of Strengthening Macroeconomic Management

The ways and means of strengthening macroeconomics are different in different periods. At the moment, they are chiefly as follows:

1. We should work out national plans for using foreign capital and importing technology on an industry or department basis. Then, based on these plans, we should work out regional plans for various open cities and zones. Next we should work out phased plans according to the development targets in different phases. Industrial plans, regional plans, and phased plans must be defined according to the long- and short-term strategic targets of national economic development. The principal task of the national industrial plans is to make unified arrangements for the technological transformation and import tasks and measures for some key industries or departments vital to the overall situation of national economic development, to clearly define the development orientation and regional distribution of various key industries or departments, and to call for a high degree of unity and self-discipline. The principal task of the regional plans and phased plans is to arrange the development tasks and measures in a certain region or phase. Both plans should submit themselves to the requirements of the industrial or departmental plans. Moreover, we should pay attention to the actual conditions in various regions and departments and allow numerous development patterns and targets.
2. We should adopt various policy measures, such as dealing with each case on its merits, selecting and supporting the superior ones, giving specific encouragement, and placing certain restrictions. It is necessary to adopt proper policy measures to restrict those projects which have been imported in duplicate, which yield low socioeconomic results, and which are blindly developed despite the lack of necessary conditions. However, it is necessary to adopt appropriate preferential measures to encourage the open zones with relatively good conditions, the industries or departments the development of which should be given top priority, and the projects which are technologically advanced, which have remarkable ability to earn foreign exchange, and which can yield better economic results. We should make full use of economic levers, such as pricing, credit, taxation, foreign exchange, interest rates, tax rates, and exchange rates, to increase foreign exchange earnings through exports, to improve the export structure, and to reduce the costs of commodities exported for foreign exchange. At the same time, we should adjust the import structure, bring excessive imports of high-grade consumer goods and parts under control, and improve the economic results in using foreign exchange. It is necessary to step up the building of the legal system and to strengthen the functions of the legal means in order to overcome such phenomena as having no laws to go by and failing to observe the laws. At the same time, it is also necessary to correctly handle the inconsistencies between existing policies and relevant regulations and to solve the contradiction characterized by various judiciary departments and management organs acting on their own and their failure to coordinate among themselves.
3. We should vigorously establish an interlocking network of economic and technological information involving foreign trade, finance, banking, economic commission, planning commission, foreign economic relations and trade commission, and other departments concerned. This economic and technological information network should be highly efficient, have multiple functions, and fan out in all directions. Not only should it exchange economic and technological information between various open cities, regions, and departments, but it should also study and forecast the international economy and market and conduct various activities, such as conducting an investigation or consulting services among foreign investors. In this way it can serve the work of opening the economy to the outside world in various open coastal cities and zones and the interior.

4. It is necessary to reform the economic administrative system and to strengthen the necessary centralized management. There are a few problems and contradictions either in the use of foreign capital, the import of technology, foreign trade, or the foreign exchange management system. This finds concentrated expression in excessive centralized management, administrative intervention, and management departments and levels, thus fettering the initiative of the localities and enterprises. Moreover, numerous departments at various levels have their own decision-making power, thus bringing about the problem of numerous departments borrowing money, importing technology, and carrying out foreign trade on their own. In order to solve these problems, it is necessary to continue a comprehensive and well-coordinated reform of the administrative system. While extending the competence of various localities and departments in using foreign capital and importing technology, we should apply various management methods and economic levers in order to strengthen indirect control. While bringing into full play the initiative of various trade, we should adhere to the principle of developing a unified approach in our external dealings and strengthen necessary centralized management. On the basis of upholding centralized and unified management over foreign exchange, we should reform the existing foreign exchange planned management system, administrative system, and operation and management system. We should arouse the initiative of various localities in earning foreign exchange through exports by appropriately increasing their foreign exchange retention ratios and expanding their powers in using foreign exchange. We should also strengthen macroeconomic control and correctly guide the use of foreign exchange in order to attain better economic results in using foreign exchange.

PLANNING FOR FOUR MODERNIZATIONS DISCUSSED

HK130801 Beijing QUN YAN in Chinese No 1, 7 Jan 86 pp 21-23

[Article by Feng Zhijun, deputy director of the Shanghai Institute of Science Study: "Study Strategic Plans, Offer Advice to the Great Cause of the Four Modernizations" -- a speech delivered at a meeting held by democratic parties and the Federation of Industry and Commerce to commend advanced collectives and individuals in serving the four modernizations program]

[Text] As a research worker in the soft sciences who regards strategic planning as a field of study, I have joined research into several strategic plans in recent years and have attained positive social benefits in providing the leading departments with scientific bases and reference material for policy decisions.

First, strategic studies have become an important aspect in offering advice to the cause of the four modernizations.

With the development of production, the advance of science and technology, and the growth of the economy, modern social activities have been provided with new characteristics. The scale of social activities is larger, their changes more rapid, and their influence more extensive. A situation whereby "a slight move in one part may affect the situation as a whole, and an error the breadth of a single hair can lead one a thousand li astray" has emerged. The characteristics of modern social activities have brought about great changes in social macrocontrol mechanisms, making it necessary to give priority to strategic studies.

That is why there has been an "intense popular interest in strategic studies" in the world in recent years. From different angles and by different methods people have engaged in multi-pattern and multilevel strategic studies in various fields, such as economics, science and technology, and education, at the global, state, regional, and enterprise levels.

Many new branches of learning have emerged, such as "developmental economics" specializing in the strategy of developing countries, "growth economics" specializing in the strategy of developed countries, the "science of enterprise strategy" specializing in the development strategy of enterprises, and "global strategic studies" specializing in the development strategy of the world as a whole. We can thus see that strategic studies have drawn the universal attention of all countries.

In China's socialist modernization drive, all business develops and flourishes. With the four modernizations task so formidable, the time so short, and the scale so large, it is even more necessary to have the support of strategic research. Comrade Chen Yun pointed out: I think we still need people to "walk with measured steps" and to take the whole situation into account. Our economic institutions should have groups of such strategists. It can thus be seen that the CPC Central Committee attaches great importance to research and strategic consulting. The State Council and local authorities have set up numerous forms of strategic research institutions. These institutions have attained gratifying results in their own fields of study and have vigorously stimulated the development of China's strategic studies.

Science study is a very vast field. In line with the need of social development and my own qualifications, I have selected as the focus of my studies the "theory, methods, and practice of strategic studies." I actively engage in strategic studies, applying the method of alternating natural science and social science, and adhering to the principle of integrating qualitative with quantitative analyses, foreign with national conditions, and national traditions with modern science. I firmly believe that there are bright prospects for strategic studies in China.

Second, study strategic plans and offer advice to the cause of the four modernizations.

In recent years I have participated in, and presided over, research into strategic plans. I have been responsible for various research projects, such as "overall pattern for Shanghai's technological transportation in the Seventh 5-Year Plan period;" "structure and benefit of investment in China's intellectual resources;" "studies on the new technological revolution and Shanghai's strategic countermeasures;" and "Shanghai in the year 2000." The "overall pattern for Shanghai's technological transformation in the Seventh 5-Year Plan period" was listed as a research topic by the State Council's technological and economic center and, after appraisal, was accepted by the Shanghai Municipal Planning Commission, Economic Commission, and Science and Technology Commission. In the "studies on the new technological revolution and Shanghai's strategic countermeasures" we submitted a study on developing Shanghai's economy with the readjustment of the production structure as the core. This was accepted by the leading department concerned. The research into the "structure and benefit of investment in China's intellectual resources" was conducted at the request of the State Council's Education, Science, Culture, and Public Health Committee. In our study we put forward a "benefit pattern for investment in China's intellectual resources" and provided a basis for policy decisions regarding the investment in, and the ratio of, educational expenditure.

Moreover, in developing and reforming education, we submitted a consultancy reported entitled "Several Questions on the Reform of Higher Education as Viewed from the Development of Modern Science and Technology," which was well received by some central leading comrades. One of the leading comrades concerned wrote the following instruction: "After reading this material, the Secretariat thinks it is pretty good. The policy research center of the Secretariat is advised to study it and to see whether it is acceptable."

In the course of making a medium-term policy decision on the Baoshan Iron and Steel Complex, I worked as a member of the complex's advisory group under the leadership of Professor Li Guohao.

We submitted a study entitled "Follow-up Policy on the Baoshan Iron and Steel Complex Project." This study drew the attention of the relevant quarters and some of its basic concepts have been accepted.

In doing strategic research, we have always adhered to the principle of attaining excellent economic results as a whole. By and large, the objects of strategic planning are very complicated. Therefore, when doing research, we should have strategic foresight, the ability to make a systematic analysis and review, and pioneering spirit. Strategic foresight calls for firm and revolutionary objectives and realistic steps. A pioneering spirit calls for the continuous elimination of outdated concepts, the establishment of innovative ones, and the constant development of the new situation. The ability to make a systematic analysis and review, however, calls for the establishment of an overall point of view in order to attain the best overall results.

For a long time people have paid attention only to the constant improvement of departments, units, and components. They consistently believe that by turning out good components and accumulating them, it is definitely possible to get a complete whole. This method of thinking may still be desirable under the small production conditions characterized by a small-scale social activities and a small number of units. However, this "simple addition" type of thinking is harmful when the social activities scale is larger, their changes more rapid, and their influence more extensive.

Practice tells us: Although the quality of our components, units, or departments is good, an irrational structure may lead to a heavy loss in the overall results of the system. Conversely, if the structural design is rational, we shall still be able to attain good economic results as a whole, even though the component performance is not quite perfect. Naturally, reliable components and a rational structure will yield better economic results as a whole. We can thus see that it is difficult to attain the best overall results by paying attention only to components and not to structure. This makes it necessary for us, when engaging in large-scale strategic research involving rapid changes and extensive influence, to attach importance not only to the planning of components, units, and departments but, more importantly, to a systematic and macroanalysis of the structure. Only when we have a rational structure is it possible to attain the best overall results.

In drawing up city or regional strategic plans, it is necessary to stress the analysis of the overall structure. If a city or a locality intends to achieve quadruplication, does it mean all departments and trades of the city or locality should indiscriminately achieve quadruplication? If all departments or trades are urged to achieve quadruplication uniformly, quadruplication, taken as a whole, may not be achieved; it will get worse and worse as attempts are made, because the development levels of the departments or trades are uneven. The objective of quadruplication can be achieved as a whole only when rational plans are worked out. For example, key development trades are encouraged to achieve more than a four-fold increase, subsidiary development trades to achieve less than that amount of increase, and ordinary development trades to achieve quadruplication. Trades kept at the present development level are not allowed to aim at quadruplication, and trades which ought to be abolished or shifted to other types of production are even permitted negative growth. In this way an overall rational structure can be achieved and all trades can be developed in a coordinated way. In our study of Shanghai's economic development strategy, we have concentrated on the analysis of the overall structure. Production patterns in Shanghai have been irrational for quite some time. Central leaders pointed out: China has typically labor-intensive, capital-intensive, and knowledge-and-technology-intensive trades. However, they are highly disproportionate. Shanghai's present ratio of trades of these three types is 4:4:1. Because of irrational production patterns, Shanghai has many serious problems such as obsolete equipment, aging technologies, shortage of energy and funds, overexpansion of population, and environmental pollution.

To invigorate and transform Shanghai, it is necessary to readjust and gradually rationalize production patterns in accordance with the principle of attaining excellent economic results as a whole. At present the State Council has approved the strategic objective of Shanghai's economic development, namely, turning Shanghai into an open, modern economic center with rational production patterns and multiple functions. The formulation and implementation of this strategic objective will certainly attain very satisfactory economic results as a whole.

Over the last few years, in collaboration with related comrades, I have been writing theoretical treatises and lectures on strategic studies, apart from studying topics concerning strategic planning. Such works as "Soft Science," "Fundamentals of Science Study," "Fundamentals of Leadership Science," "Modernization and Science Study," and "Leadership and Strategy," have been published in succession. At the same time, I also made reports, by invitation, to the vast numbers of leading cadres and scientific and technological personnel of the "study class for party government cadres," "study class for mayors throughout the country," "study class for Army commanders throughout the Army, and of 21 provinces, municipalities, and autonomous regions. Moreover, I went to Mexico, the United States, and the FRG by invitation to conduct academic and teaching tours.

Third, organizations involved in the united front work should take strategic consulting as one of the important tasks of "democratic consultation" work.

Consulting has existed since time immemorial. As it is today, consulting work has become a multi-tier, multi-channel, and multi-form research undertaking. In terms of its nature, content, and scope, generally speaking, consulting work can be divided into strategic consulting, technical consulting, engineering consulting, and management consulting. As far as organizations involved in the united work front are concerned, as I see it, strategic consulting should be given first priority. The reasons for my argument are as follows:

First, judging from the tasks of organizations involved in the united front work, their fundamental tasks, whether to carry forward the four modernizations program, to achieve the reunification of the motherland, to oppose hegemonism, or to safeguard world peace are a comprehensive topic which is of overall and strategic importance. Furthermore, these fundamental tasks are centered on carrying forward the four modernizations program and accelerating the liberation of productive forces, because without a high growth of productive forces and vigorous development of economic construction, it will be unable to fulfill the other tasks. Therefore, in doing their consultancy work, organization involved in united front work should put strategic consultancy in first place, study the strategic matters relating to the coordinated development of science and technology and economics on the one hand and society on the other, and explore the study of regional comprehensive development and related comprehensive policies. The conducting of consultancy work in this category is undoubtedly of great use in carrying out "democratic consultation and supervision" in-depth work, extending the influence of the united work front, and in creating a new situation in the united work front.

Second, viewed from the actual conditions of organizations involved in the united work front, they have an abundance of capable people who have mastered complete multi-disciplinary sciences, have rich experience, and are highly patriotic. Just as Comrade Deng Yingchao said: "We must see the important role nonparty personages play. They are relatively knowledgeable and have extensive social connections and influence as well as fairly rich political experience." Therefore, with their superior talent, organizations involved in the united work front can most favorably provide comprehensive strategic consulting services, fostering strengths and circumventing weaknesses, bringing their favorable conditions into play, and in suggesting ways and means for the general principles and policies of the four modernizations.

Third, in terms of the developments of consulting work carried out by organizations involved in the united work front over the last few years, great achievements have been made in consulting work in organizations involved in the united work front since the 3d Plenary Session of the 11th CPC Central Committee. Many of them have been in the strategic consultancy category.

In brief, both the time and conditions are ripe for organizations involved in the united work front to carry out strategic consulting work. So long as they strengthen leadership, have a clear orientation of endeavor, work out plans, and continuously review experience, they will surely achieve gratifying results in their strategic consultancy work.

REGULATIONS ON HIGHER EDUCATION FOR ADULTS

OW141301 Beijing XINHUA Domestic Service in Chinese 0806 GMT 14 Feb 86

[Text] Beijing, 14 Feb (XINHUA) -- The State Education Commission and the Ministry of Finance recently issued a joint document, setting specific regulations for nationwide unified enrollment of adult students by schools of higher learning in 1986.

The "regulations" point out that enrollment of adult students by various schools of higher learning in 1986 will be handled in a unified manner throughout the country. The State Education Commission will set unified questions, time, and evaluation criteria for the test. Various provinces, autonomous regions, and municipalities will organize the test and grading of test papers in a unified manner and set minimum points for admission. Various schools will enroll students according to the results.

The "regulations" say: All kinds of schools of higher learning for adults set up with the approval of various provincial, autonomous regional, municipal, and city governments or ministries and commissions under the State Council and registered with the approval of the former Ministry of Education or the State Education Commission through their respective channels for the national plan of enrollment of adults for higher education. Those schools include radio and TV universities, advanced vocational schools for staff members and workers, advanced agricultural schools for peasants, institutes for the training of management cadres, teachers' colleges (advanced schools for teachers), specialized classes and correspondent classes for cadres and teachers sponsored by independent correspondence colleges and regular schools of higher learning, night universities, and other schools of higher learning for adults which provide professional or regular college level training for staff members and workers who are released from their work for more than 2 years or study in their spare time for more than 3 years. The state will not recognize diplomas issued by those schools which enroll students independently.

The adult students applying for admission to various schools of higher learning must possess an educational level of senior middle school graduate or the equivalent.

The age of those who apply for release or partial release from their work in order to take part in study must be under 40. Staff members and workers on their jobs should apply to study related subjects and be reviewed and approved by their respective units. There will be no age limit or working years limit for those who apply for study in their spare time. However, they should also be reviewed and obtain written comments from their respective units. Intellectual youth and individual workers who apply for the unified test should be reviewed and obtain written comments from local township governments (or neighborhood committees).

Staff members and workers on the job who apply for release or partial release from their work for study at workers' universities or workers' sparetime universities must have more than 2 years of work experience.

The correspondence departments and night colleges run by regular schools of higher learning will mainly enroll staff members and workers on the job. They may also admit intellectual youth but the state will not be responsible for assigning jobs to them after graduation. They will be employed by requiring units on their own merits.

Cadres on the job who apply for studying at institutes for the training of management cadres or cadres training class run by regular schools of higher learning must have 5 years of work experience.

Staff members and workers who apply for release or partial release from their work to study at radio and TV universities should have more than 2 years of work experience. Radio and TV universities may also admit intellectual youth, but the state will not be responsible for assigning jobs to them after graduation. They will be employed by relevant units on their own merits.

Advanced teachers' colleges and institutes (advanced schools for teachers) will admit only teachers of various kinds of secondary schools and a small number of cadres in charge of educational administration.

The regular and special classes run by regular schools of higher learning and teachers' institutes will admit teachers who have been on their jobs for more than 5 years at various kinds of secondary schools and a small number of cadres in charge of educational administration who will be released or partially released from their jobs.

Students who are currently studying at various schools and whose academic records will be recognized by the state on graduation will not be eligible for studying at various schools of higher learning for adults.

The "regulations" point out: The scope of questions in the current test will be within the "review program for the national enrollment of adult students by various schools of higher learning in 1986," formulated by the State Education Commission. Subjects for the test will be classified in two main categories. One for industrial agricultural, and medical subjects, and the other for literary and historical subjects. Individuals who take part in the test will be notified of their test results. However, results will not be publicly announced, nor will checking of test papers be allowed.

The "regulations" emphatically point out that no schools of higher learning for adults are allowed to admit provisional students or auditors.

The "regulations" call on all units to firmly oppose and resist all kinds of unhealthy practices, such as favoritism, fraud, or "getting in by the back door." Cases in violation of law and discipline in enrollment must be seriously investigated by various localities, and the responsibility for such wrongdoings must be affixed. Admission will be withdrawn if students are accepted in violation of the regulations and the violation is proved after investigation.

The dates of examination of this year's enrollment of adult students by schools of higher learning are 10 and 11 May.

RENMIN RIBAO CARRIES WENYI BAO ARTICLE ON LU XUN

HK180314 Beijing RENMIN RIBAO in Chinese 15 Feb 86 p 1

[Article by Chen Shuyu, reprinted from 1 February WENYI BAO: "Do Not Lightly Disparage Lu Xun"]

[Text] Lu Xun was a great and modest man. He believed that there was no perfect man or book, including his own literary creations and theories. To make an analysis of Lu Xun or even criticize him has never been prohibited. His viewpoints, if biased, are open to question, and the historical facts, if wrongly recorded, can be revised. If the critics can hit the nail on the head and suit the medicine to the illness, Lu Xun would feel contented even in the nether regions.

To disparage Lu Xun willfully in a frivolous manner is diametrically opposed to normal academic research and literary criticism. It is not at all surprising for disparaging remarks to come from enemies. If disparaging remarks about Lu Xun come from our own ranks and appear in revolutionary papers and periodicals, we cannot regard it as a normal phenomenon. We must give guidance to put the matter right.

Remarks disparaging Lu Xun have emerged time and again over the past 2 years or so. During the spring and autumn of 1984, when some newspapers criticized a young writer for plagiarizing literary masterpieces, someone courageously defended him saying: "In an analogy of this, can we say that Lu Xun plagiarized Gogol's 'Save the Children?'" Consequently, the demarcation line between "use for reference" and "plagiarize" was obscured and Lu Xun became one of the plagiarists. Last May, an associate professor issued an article in ZA WEN BAO [JOURNAL OF SHORT ESSAYS] saying that "it is imaginative" rather than "a great mistake" to translate "the Milky Way" into the "milk way." He brought up the old scores of Lu Xun criticizing Zhao Jingshen's translation theory which "preferred smoothness to trueness" "half a century ago" in an attempt to prove that Lu Xun's remarks "were not always correct," though Professor Zhao Jingshen admitted the mistake he made from 1931 to 1983 in translating "the Milky Way" into the "milk way."

The disparaging remarks about Lu Xun reached a "high tide" in August last year. On 6 August, ZA WEN BAO carried an article by Li Bushi entitled "Why Should Lu Xun Be Quoted So Often?" Which said: "Whenever short essays are discussed, Lu Xun's name is mentioned in every chapter and paragraph." He raised an alarm: "Having been exposed to so much Lu stuff, I am afraid I might have become Lu Xun-ized." Deriding Lu Xun's cultural legacy as "Lu stuff" and calling being influenced by Lu Xun's theories and writings "Lu Xun-ized" are really "unprecedented" in the study of Lu Xun over the past 80 years. Everyone knows that Lu Xun was the founder of the modern Chinese essay, and his essays are the quintessence of this field. The link between short essays and Lu Xun resembles that between the Renaissance and Dante, Boccaccio, Petrarch, and other precursors of that period. Why should this be surprising?

If Li Bushi's disparaging remarks about Lu Xun are just abuse, an article entitled "On Lu Xun's Creative Profession" published by the magazine QINGHAI HU [QINGHAI LAKE] the same month added a thin theoretical veil to the disparaging remarks about Lu Xun. The article provided a grim picture of Lu Xun's "creative profession." It said: During the "period of preparation" (1906-1919), Lu Xun's "literary career was unsuccessful" because his works in those days were "experimental and exploratory." During the "creative period" (1918-1925), he produced only four or five stories, which was not particularly impressive. The 1924-1936 period was a "period of decline" in Lu Xun's creativity, during which he wrote essays "primarily for the purpose of feeding himself." His involvement in translation was "a failure." The only thing worthy of the name of creation was his "Stories Newly Told," "which, however, has little artistic value."

For people with a minimum of common sense, it is completely unnecessary to refute these arguments individually. The appearance of these disparaging remarks about Lu Xun is not accidental. These remarks show that some people considered it quite stylish to be fastidious about "teeny-weeny bits of dust" on heroes' bodies, and to dig out any "redeemable intuitive knowledge" from villains, with the mistaken idea that slinging mud at Lu Xun was a "fashionable," heroic undertaking. Moreover, the editors of certain papers and journals, in order to have greater "economic returns," were particularly fond of publishing sensational articles, thinking them an effective means of increasing their readership. That was why they were interested in publishing anything which either mythologized Lu Xun (like "Mao Zedong's Courtesy Call on Lu Xun") or cooked up false charges of Lu Xun's "crimes." The infiltration of certain misconceptions from overseas was also a cause not to be overlooked. As far as researchers of Lu Xun's works are concerned, the argument in the article "On Lu Xun's Creative Profession" was nothing but a rehash of what had already been written.

We are glad to see that the disparaging remarks about Lu Xun have evoked strong repercussions among the comrades in the literary circles. They believe that the rich cultural legacy and thought created by Lu Xun through unrelenting struggles all his life are a treasure of China's cultural heritage as well as the Chinese people's precious contribution to world culture. The study of Lu Xun should be an organic component of the strategic study of China's socialist cultural construction. According to the Greek myth, there was a man called Tantalus who stood in a stream until the water rose to his throat. But he was at the end of his wits and did not know how to quench his thirst. This story gives much food for deep thought to those who disparage Lu Xun on the one hand and advocate the building of socialist spiritual civilization on the other.

DENG XIAOPING, WANG ZHEN LEAVE CHENGDU

HK150159 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Text] According to SICHUAN RIBAO, Deng Xiaoping, member of the Standing Committee of the Political Bureau of the CPC Central Committee, chairman of the Central Advisory Commission, and chairman of the Central Military Commission, and Wang Zhen, vice chairman of the Central Advisory Commission, left Chengdu on 14 February. Before they left, the principal leading comrades of the party, government, and Army in Sichuan went to the place where they were staying to bid them farewell.

After arriving in Chengdu on 31 January, Comrades Deng Xiaoping and Wang Zhen celebrated the Spring Festival with the people of Sichuan. They attended a Spring Festival gathering organized by the provincial CPC Committee and government and received veteran Sichuan comrades and Sichuan opera performers. Comrade Deng Xiaoping expressed great satisfaction at the prosperity of the markets and abundance of supplies in the province. He showed great concern for economic development in old revolutionary bases, remote and mountain regions, and minority-nationality areas in Sichuan.

On 13 February, Comrades Deng Xiaoping and Wang Zhen were photographed with the comrades of Guangan County and relatives in their native villages. On behalf of Comrade Xiaoping, Comrade Zhuo Lin said to the comrades of Guangan County: Coming back to Sichuan is like coming back to our hometown. Please give our regards to the people in our native villages.

On their way to Chengdu, Comrades Deng Xiaoping and Wang Zhen visited the stone carvers of Dazu. While in Chengdu, they toured the Wuhou temple, Nanjiao park, Wangjiang park, the Du Fu memorial and the Baoguang monastery at Xindu.

ZHAO ZIYANG, HU QILI, TIAN JIYUN IN GUANGZHOU

HK160544 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 16 Feb 86

[Text] Zhao Ziyang, member of the Standing Committee of the Political Bureau of the CPC Central Committee and premier of the State Council; Hu Qili, member of the Political Bureau of the CPC Central Committee and member of the Central Secretariat; and Tian Jiyun, member of the Political Bureau of the CPC Central Committee, member of the Central Secretariat, and vice premier of the State Council, arrived in Guangzhou on 14 February after inspecting work in Hainan.

On 15 February, Comrades Zhao Ziyang, Hu Qili, Tian Jiyun, and others inspected Nanhua West Street, Xingping Road agricultural trade market, the Tianhe sports complex, and Wuyang New Town. Comrade Hu Qili and others listened to reports given by responsible comrades of the provincial CPC Committee and departments concerned on the situation in building spiritual civilization. Comrade Tian Jiyun and others listened to reports on economic work. Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun gave many extremely important views on work in Guangdong.

In the evening, Comrades Zhao Ziyang, Hu Qili, and Tian Jiyun received leading cadres of the party, government, and Army in the Guangzhou area and extended festival greetings to them.

LI XIANNIAN PRAISES RED ARMYMAN IN HUNAN

OW180023 Beijing Domestic Service in Mandarin 1200 GMT 17 Feb 86

[Excerpt] Moving tales about the lofty character of retired veteran Red Armyman Yu Jie taking the lead in correcting party conduct are being circulated in Pingjian County, Hunan Province. President Li Xiannian recently wrote a letter to extol Yu Jie on his revolutionary spirit and lofty communist character. The letter said that he has set an exemplary role for retired cadres and has won honor for the party.

PENG ZHEN INSPECTS SHANGHAI ENTERPRISES

OW152133 Beijing XINHUA Domestic Service in Chinese 1436 GMT 15 Feb 86

[By reporter Chen Maodi]

[Text] Shanghai, 15 Feb (XINHUA) -- Peng Zhen, member of the Political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, inspected Shanghai's Baoshan iron and steel complex and no 1 television assembly plant from 13 to 15 February. He encouraged the cadres and workers to display the self-reliant and hard-working spirit in continuously improving production techniques in order to turn the plants into first-rate modern enterprises.

Comrade Peng Zhen received a warm welcome from the cadres and workers when he visited the Baoshan iron and steel complex on 14 February. During his first inspection tour of the iron and steel complex on 20 January 1980, while still under construction, Peng Zhen said: "The construction of such a large modern enterprise as the Baoshan iron and steel complex is indispensable. It should play an exemplary role in producing good products, accumulating useful experience, and training skilled personnel." Revisiting the complex today 6 years later, Peng Zhen was gratified to see a large modern iron and steel joint enterprise already standing firm as a rock on the banks of the Chang Jiang.

During the day-long inspection tour, Peng Zhen earnestly listened to briefings concerning the construction and production of the complex. He said: "It requires concerted effort by people across the country and vigorous support from all trades and professions in building such a large enterprise as the Baoshan complex." Turning to the subject of conducting strict operational and technical training among the staff members and workers, Peng Zhen stressed: "This is a very important field. Strengthening the sense of organization and discipline is an important matter concerning the quality of the nation." He also inquired about the progress in the second-phase construction of the iron and steel complex and encouraged all staff and workers to do a solid job in the second-phase construction on the basis of smooth progress in the first phase. Then, Peng Zhen toured the raw materials pier, coke plant, no. 1 high furnace, steel mill, preliminary rolling mill, and seamless steel pipes plant. He shook hands with the cadres and workers present on the occasion and wished them successes in the construction. Comrade Peng Zhen also wrote an inscription for the Baoshan iron and steel complex.

On the morning of 15 February, Peng Zhen inspected the Shanghai no. 1 television assembly plant, which manufactures Jinxing brand television sets. While hearing briefings and touring the plant, he praised its successful experience in applying foreign technology and relying on its own strength in producing color television sets. He encouraged the plant staff members and workers to strive to produce more television sets for overseas markets.

On the evening of 15 February, Comrade Peng Zhen met with Shanghai municipal party, government, and Army leaders, as well as veteran comrades.

HU QIAOMU ATTENDS CHILDREN'S GATHERING

OW141313 Beijing XINHUA Domestic Service in Chinese 1232 GMT 14 Feb 86

[Text] Beijing, 14 Feb (XINHUA) -- Effective 16 February, XIN SHAONIAN BAO [NEW JUVENILE NEWS] will be renamed ZHONGGUO ERTONG BAO [CHINESE CHILDREN'S NEWS]. Comrade Hu Yaobang inscribed the name of the newspaper.

A get-together was held this afternoon at the National Cultural Palace for the young readers of the XIN SHAONIAN BAO to mark its 40th founding anniversary. Hu Qiaomu, member of the Political Bureau of the CPC Central Committee; and Zhu Zuefan, vice chairman of the NPC Standing Committee, attended. Also attending were responsible persons of the State Education Commission, the All-China Women's Federation, the CYL Central Committee, and Beijing City as well as some noted writers of children's literature, painters, and people in charge of children and juvenile work.

XIN SHAONIAN BAO, which now enjoys a circulation of 880,000 copies, was inaugurated in Shanghai on 16 February, 1946, by an underground organization of the Chinese Communist Party. During the past 40 years it has played a positive role in uniting and educating the children.

ANHUI OFFICIAL ON RURAL ENTERPRISE DEVELOPMENT

OW161415 Hefei Anhui Provincial Service in Mandarin 1100 GMT 15 Feb 86

[Radio talk by Jiang Chunsheng, director of the Anhui Provincial Administration of Rural Enterprises: "Make Overall Planning and Provide Guidance According to the Nature of Operation So That Anhui's Rural Enterprises Can Be Developed Actively, Steadily, and in a Coordinated Manner" -- recorded]

[Text] The general guideline for the development of rural enterprises in Anhui in 1986 is: Make overall planning, provide guidance according to the nature of operation, give priority to major projects, pay attention to economic results, enlist the support of key enterprises, focus on production of lead products [long tou chan pin], and pay special attention to family or neighborhood-operated undertakings so that Anhui's rural enterprises can be developed actively, steadily, and in a coordinated manner. According to this year's plan, Anhui's rural enterprises will turn out 12 billion yuan, make a profit of 1.6 billion yuan, and provide jobs to 4.4 million people in the rural areas. To reach this target, we must do several things well:

1. We must have a consensus on the speed of growth, which is the central issue. Since Anhui's rural enterprises have just started to develop, they do not have to worry about excessive growth. First of all, this is because the development in this area is still slow. In terms of the rural areas' growing social output, proportion of the total output of Anhui's rural enterprises is below the national average, ranking fifth in eastern China. Secondly, Anhui's rural areas abound with surface and underground resources and mineral deposits in many areas have not been tapped. Such being the case, there is still much room for growth. Third, the development of rural enterprises is particularly essential today when the second-step reform is underway, production structure is being realigned, and small towns are appearing in the rural areas. Fourth, the restructuring of the urban economic system also (?calls for faster growth of) the rural enterprises. Thus, no matter from which angle we see the issue, Anhui's rural enterprises should have a faster growth.

2. We must have a better understanding of the course of development. Although located in the countryside, rural enterprises should gear their production to the needs of cities and the market at home and abroad. Since the situation in different places could be vastly different, there should not be only one single way to be followed. Anhui's situation shows that it should give first priority to [words indistinct] by going all out to process agricultural and sideline products into marketable commodities. The second priority should be given to tapping and utilizing Anhui's rich mineral resources in a way appropriate to the local conditions. It should also continue to develop the construction materials industry. The third priority should be given to enlisting the assistance of cities and tapping local potential so that the processing of industrial goods can be (?decentralized). The fourth priority should be given to broadening the ways of developing tertiary industry according to society's needs and provide the masses the needed services, such as garment-making, dining, housing, transportation, and recreational facilities. The fifth priority should be given to investigating the needs of the international market and developing merchandise that can earn foreign exchange. [Words indistinct]

3. We must persist in carrying out reform and effectively improve our management. Anhui now has 870,000 rural enterprises. The management of this fairly large number of rural enterprises must be further improved.

We must have a better plan this year for the production of goods and quality control, improve the management of investment in fixed assets, and institute regulations and rules for quality control and management of the investment in fixed assets. Rural enterprises themselves must improve their management of contract responsibilities in production. Special attention must be paid to three issues in this respect: 1) Choosing the right contractors; 2) improving contract policies and refusing to sign any contracts that benefit individual households at the expense of state and collective interests; and 3) instituting the system of charging directors and managers of enterprises, with the exception of the very small ones, to be responsible for the performance of their enterprises. [Sentences indistinct]

4. We should provide guidance and the needed services according to the nature of operation. This year, we must provide better [words indistinct] and guidance for the development in mountainous areas, [words indistinct], hilly areas, plains, suburbs, and tourist spots. [Sentences indistinct] consider enlivening the rural economy as a major task of protecting the peasants' interests, Anhui's rural enterprises certainly will significantly grow in the future.

FUJIAN DEVELOPS RADIO, TELEVISION SERVICE

OW160617 Fuzhou Fujian Provincial Service in Mandarin 1130 GMT 15 Feb 86

[Text] During the Sixth 5-Year Plan period, Fujian Province made gratifying progress in radio and television broadcasting. As of the end of 1985, the total transmission power of radio stations in the province increased by 12.5 percent over that of 1980; while the total transmission power of television stations in the province was up 400 percent from 1980. The radio broadcast service reaches 55 percent [as heard] of the province's population, while the television service is available to 77.5 percent of the population.

In the development of radio broadcasting, medium-wave broadcasting, and relay stations, since 1983 the province has expanded relay stations in Fuzhou, Xiamen, Quanzhou, Zhangzhou, Nanping, Sanming, Longyan and two other cities, thus enlarging the coverage of medium-wave broadcasting and giving these cities better reception for the programs of the central and the provincial radio stations.

Wire-broadcasting service covers all urban and rural areas in the province. There are 70 city and county wire broadcast stations, some 59,200 kilometers of wire-broadcasting transmission lines, and some 1.6 million loudspeakers.

Television service has developed even faster. The Xiamen television station and the Fuzhou television station were inaugurated in 1983 and 1984 respectively. The television and FM relay stations in Xiamen, Futian and Yunxiao were expanded in 1984. At the same time, the province has built 620 kilometers of microwave transmission line connecting 15 microwave stations in 7 prefectures and cities. Now some relay stations have changed the plug-in relay method [cha zhuang fang shi] to microwave transmission and thus improved the relay quality. The provincial television station has continuously improved its program production. Now it has 30 color television cameras, 12 electronic editing systems, and equipment for 24-hour broadcasting on two channels. It has enhanced its program production capability by 380 percent since 1981.

JIANGXI CRACKS ARMS THEFT CASE, ARRESTS CRIMINAL

OW160542 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 15 Feb 86

[Text] After 3 years of investigation, Hengfeng County's extraordinarily serious arms theft case was cracked on 21 December 1985.

The criminal (Chen Xiaoyong) was arrested and brought to justice. On the morning of 14 February, the Shangrao Prefectural Party Committee and Administrative Office held a meeting in Hengfeng County to commend 12 units and 35 personnel that contributed to this case and conferred the title of young security activist on (Guo Jianjun), a pupil of the Peiyang Town No 1 Elementary School in Hengfeng County.

Late in the night of 3 December 1982, the criminal (Chen Xiaoyong) sneaked into the armory of Hengfeng County's People's Armed Forces Department after climbing over a wall and picking a lock and stole four type 56 light machineguns, one type 63 full automatic rifle, and one type 54 pistol. After the theft was discovered, the Hengfeng County Public Security Bureau, under the county party committee's leadership, mobilized the masses to inform against and expose the criminal.

On the afternoon of 14 December 1985, (Guo Jiangjun), a pupil of the Peiyang Town No 1 Elementary School in Hengfeng County, accidentally discovered the stolen arms hidden in the attic of the Hengfeng County movie theater and immediately reported the case to the county Public Security Bureau. As a result, a breakthrough was achieved in the investigation of the case. That same afternoon, carrying a type 55 pistol and three bullets, the criminal (Chen Xiaoyong) fled to (Hencuo) Village in the suburbs of Xiamen City to avoid punishment. On 21 December 1985, he attempted to go to sea and flee to Taiwan to go over to the enemy but was caught by fishermen. The pistol and ammunition he stole were also seized at the same time.

Wang Zhaorong, member of the Standing Committee of the provincial party committee and secretary of the provincial Political and Legal Committee; Shen Shanwen, deputy commander of the provincial Military District; and responsible comrades of the Shangrao prefectural party committee and Administrative Office, the Shangrao Military Subdistrict, the Hengfeng County Party Committee and Government, and the provincial, prefectural and county departments concerned attended the meeting.

Comrade Wang Zhaorong spoke at the meeting. He said: The extraordinarily serious "3 December" arms theft case in Hengfeng County was finally cracked. This proves the power of the party's leadership, the masses, the organs of dictatorship and the legal system. Whoever dares defy the law is ultimately unable to escape the net of justice spread by the people and will be punished in accordance with state law. The appearance of this extraordinarily serious arms theft case once again tells us that under the new circumstances, although class struggle is no longer the principal contradiction at home, there still exist counterrevolutionaries, enemy agents, and criminals who sabotage the socialist order. Therefore, class struggle exists within certain limits. We must keep a clear head and uphold the people's democratic dictatorship. At present, our province's social order has clearly improved, but it has not yet fundamentally taken a turn for the better. We must follow the party Central Committee and the provincial party committee's directives and promote both material and spiritual civilization at the same time. To improve social order, we must deal stern blows to serious criminal activities and economic crimes on the one hand, and enact various measures to maintain security on the other.

SHANDONG CONDUCTS TOWN-LEVEL PARTY RECTIFICATION

SK151354 Jinan Shandong Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Excerpts] In line with the arrangement made by the Central Commission for Guiding Party Rectification and the provincial CPC Committee, our province has carried out, in an all-round way, the party rectification work at the township and town level since late January this year.

Units that should take up the work this time include the party and government organs of rural townships and towns; the county's enterprises, establishments, and units; the neighborhood party organizations in urban areas; and a number of rural party branches. These units have 710,000 party members.

In carrying out the party rectification work, the province has adopted the experience gained by the prefectures, cities, and counties in this regard and paid great attention, at the beginning, to conducting education on the fundamental purpose of the party under the impetus of the central authorities with regard to consolidating the work style of organs. It has also regarded as a breakthrough the work of straightening out party style, thus bringing about a strong atmosphere in party rectification and a good start in the drive. The city, prefectural, and county party committees have enhanced their leadership over the work and put forward the striking problems that need to be solved in the drive by conducting investigation and studies over the ideology, work style, and organizational status of party members. The leading bodies that have not been suitable in the party rectification work have been readjusted. The province has also trained a number of support personnel in charge of this work. A large number of principal responsible comrades of the county and city party committees have gone to the townships and towns to personally conduct party rectification mobilization, to give guidance to party members' study, and to help them deal with their problems. In order to enhance the guidance over the party rectification work, localities have reinforced their setups in charge of party rectification and have assigned their able cadres to take charge of inspection and liaison work. According to statistics, party organizations at all levels throughout the province have dispatched more than 15,000 personnel in charge of the inspection and liaison work.

In order to ensure that the party rectification work is carried out successfully, the party committees of various localities have adopted some effective measures in line with their own situation for upgrading the quality of study activities and the effect of educational methods.

The striking characteristics cropping up in the party rectification work at the township and town level are the firm and realistic grasp of the work of correcting mistakes while conducting the party rectification drive and the rapid handling of the problems causing serious complaints among the masses. First of all, the units that have taken up the work have vigorously blocked the malpractices of indulging in extravagant wining and dining and presenting gifts using public funds. They have never held receptions for the leading personnel of their higher organs. The comrades who have gone to townships, towns, and villages have never accepted invitations or drunk wine, and have taken ordinary meals and paid for the meals at the standard price. Therefore, they were highly praised by the masses and the local cadres.

Judging from the current situation prevailing in the party rectification work at the township and town level, we should further strengthen leadership over the work. The principal responsible comrades of the county and city party committees must take personal charge of the work, conduct concrete guidance, do a good job in further studying the documents in order to understand the principal problems needing to be dealt with in the drive, and stress practical effects in order to correct the mistakes while conducting the drive. Efforts should be made to conduct education in a down-to-earth manner on party spirit and on the principle of serving the people wholeheartedly, and to closely integrate the work of studying the documents and upgrading the effect of study with that of solving practical problems. We should pay great attention to the problems cropping up among the units of supply and marketing co-operatives, grain supply, banks and credits, industry and commerce, tax affairs, education, public health, post and telecommunications, communications and transportation, and public security.

The township and town party committees should make concerted efforts with the country-level departments in order to do a good job in earnestly carrying out the party rectification drive.

ZHEJIANG NUCLEAR POWER PLANT UNDER CONSTRUCTION

OW120512 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 10 Feb 86

[Excerpts] The construction of China's first self-designed nuclear power plant is speeding up at (Qinshan), Haiyan County, Zhejiang Province. Recently, station reporter (Liu Yijuan) and (Yu Guangfu) visited the construction site at (Qinshan), and sent in a number of reports on construction. The following is one of their reports entitled "Build Up Our Own Contingent by Self-Reliance."

Dear listeners, the (Qinshan) nuclear power project has progressed smoothly since construction first started in June 1984. On the eve of the Spring Festival, these reporters visited the construction site. We witnessed that the concrete shield around the reactor inside the plant's main [words indistinct] building has already risen 8 meters. An 1,800-meter dike to keep out the sea has been basically completed outside the plant compound. A 10-meter thick foundation for the auxiliary building of the first boiler [yi hui lu] has been completed. The steam turbines in the main building for the second boiler [er hui lu] had been installed.

We interviewed (Yu Hongfu), director of China's first nuclear power plant. This young and energetic director has worked in nuclear chemical engineering and nuclear chemical engineering for over 20 years.

He said to these reporters: [Begin recording] "In developing nuclear power, China must rely on its own equipment. This requires us to garner our own practical experience. At the same time, we must absorb advanced foreign technology. The significant benefit in building the (Qinshan) nuclear power plant lies in that it can train our own contingent, enables us to gain experience, and lays a good foundation for China's nuclear industry. In building a 300,000-kilowatt nuclear power plant, using our own design and home-made equipment, we are also building up our own contingent for designing, building, installing, operating, producing equipment for, and managing more nuclear power plants. I can say that if this project succeeds, we can mainly rely on our own strength in building a second or a third nuclear power plant of still larger capacity; and our country can also open up new vistas in the peaceful use of atomic energy." [end recording]

ZHEJIANG MILITARY COMMANDER HONORS OFFICERS

OW161203 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 16 Feb 86

[Text] Zhejiang Military District Commander Li Qing, First Political Commissar Wang Fang, Political Commissar (Liu Xinsheng), issued a circular order on 15 February to confer Merit Citation Class II on staff officer (Chang Yongyi) and his assistant (Xu Shengkuan).

After completing his task of investigating defense and combat readiness along the coast, (Chang Yongyi) compiled a 100,000-character book on combat readiness which contained more than 3,000 charts and diagrams. He received a first-class award from the Nanjing Military Region. (Xu Shengkuan) invented a dual-purpose boiler whose technical index met the standard set by the state. The boiler is better than other similar products in the country in terms of energy efficiency and smoke elimination and has made a profit of more than 100,000 yuan.

XU JIATUN, REN ZHONGYI AT GUANGDONG CELEBRATION

HK101016 Beijing ZHONGGUO XINWEN SHE in Chinese 1514 GMT 7 Feb 86

[Report by reporters Fang Yuansheng and Xie Jianxi: "Xu Jiatun and Ren Zhongyi Comment on Situation in Hong Kong and Guangdong, Respectively" -- ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 7 Feb (ZHONGGUO XINWEN SHE) -- This evening our reporters conducted a special interview with Xu Jiatun, director of the Hong Kong branch of the XINHUA NEWS AGENCY, who came to Guangzhou to attend a get-together to celebrate the Spring Festival, and Ren Zhongyi, former first provincial CPC secretary of Guangdong. They expressed their views on the situation in Hong Kong and Guangdong, respectively.

Xu Jiatun maintains that over the past year since the signing of the Sino-British Joint Declaration, the development of the situation in Hong Kong has been good on the whole. The concept of one country, two systems has strengthened the confidence and sense of stability of the Hong Kong compatriots. The present situation in Hong Kong is the most stable in the Southeast Asia region. Compared with 1983 and 1984, the present economic development trends of the territory are also good.

Xu Jiatun continued by saying: At present, the centripetal force of the Hong Kong compatriots to the motherland has become increasingly powerful and their patriotic feelings have been increasingly strengthened. As the present situation continues to develop, we are optimistic about the new year. The political situation of Hong Kong this year will be better than last year. The economic situation in the territory might also be maintained in a better way.

Other responsible persons of the Hong Kong branch of the XINHUA NEWS AGENCY who accompanied Xu Jiatun to the get-together included Zheng Hua, Chen Daming, Ke Ping, Li Yaoli, Yang Qi, Niu Zhao, Qiao Zhonghuai, and others. Xu Jiatun stressed that they came to pay a new year's call to the CPC Committee of Guangdong Province, the Guangdong Provincial Government, and the Guangzhou Military Region. They also came to exchange views and information. Hong Kong must rely on the interior -- the provincial CPC Committee of Guangdong, the Guangdong Provincial Government, and the Guangzhou Military Region in particular. Xu Jiatun said that they would return to Hong Kong on 8 February.

Ren Zhongyi said: The present situation in Guangdong is very good. Some problems are those which occur on our path of advance. As long as we deal with them seriously, it will not be difficult to solve them. He expected that the situation in Guangdong in the Year of the Tiger "will be better, and things will get better and better with every passing year!"

Ren Zhongyi also revealed that he stays in Guangzhou very often and is in good health. He reads books and newspapers every day. He thanked the Hong Kong compatriots for the concern shown for him.

This evening's get-together was jointly held by provincial CPC Committee of Guangdong, the Guangdong Provincial Government, the Guangzhou Municipal Government, and the Guangzhou Military Region. National CPPCC Committee Vice Chairman Wang Guangying; Zhao Puchu; You Taizhong, commander of the Guangzhou Military Region; Guangdong Provincial Governor Ye Xuanping; and more than 1,300 people from various circles attended the evening's party. Provincial and municipal literature and art troupes gave a brilliant performance at the get-together.

GUANGXI VIGOROUSLY DEVELOPS GOLD MINING EFFORTS

HK141147 Beijing ZHONGGUO XINWEN SHE in Chinese 0233 GMT 13 Feb 86

[Text] Nanning, 13 Feb (ZHONGGUO XINWEN SHE) -- It has been learned from departments concerned that Guangxi has adopted measures to vigorously develop the production of gold in an effort to double the present gold output by the end of the Seventh 5-Year Plan period.

Guangxi is one of the important gold-producing areas in China, with gold mines widely dispersed over 46 counties and cities within the autonomous region. Its resources are abundant, and include both gangue and alluvial gold. As some old gold mines do not have much potential to tap now after being exploited for several decades, in recent years departments concerned have paid more attention to the prospecting of new mines. It has been learned that ideal new mines have been found in eight counties, including Rongxian County, which is the hometown of many Overseas Chinese. The gold reserves of the biggest mine are around 20 tons. Of these new mines, the Zhanggongling gold and silver mine in Hexian County and Shuitai gold mine in Shangling County have been put on the list of state construction projects. The state has decided to invest 5 million yuan this year in the Zhanggongling gold and silver mine to prepare to construct a mine capable of exploiting 150 tons of deposits per day. The other mines will also be established and put into production one after another in the coming 5 years.

In order to exploit gold mines, Guangxi will continue to encourage peasants to collectively or individually develop scattered small mines. At present there are already over 20,000 peasants in Guangxi engaged in mining gold. With a view to better promoting the production of gold, departments concerned in Guangxi have decided to strengthen control over gold work, including reforming the management structure and setting up central gold ore dressing plants, instituting a system to award miners selling gold to the state, conducting education for miners who hide and sell gold in secret, and severely punishing according to law those lawless persons who illegally purchase, sell, resell, and smuggle gold.

HUBEI REDUCES RURAL MANAGEMENT PERSONNEL NUMBERS

HK131308 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 12 Feb 86

[Text] Since 1985, all places in our province have seriously implemented the spirit of the relevant documents of the central authorities and vigorously reduced the number of the rural management personnel to lighten the burden of peasants.

According to statistics, the number of rural economic and general affairs management personnel in the whole province by the end of 1985 was 33,000, some 3,700 less than in the corresponding period of preceding year. Calculated on the basis of each person's annual wages as 600 yuan, the peasants' burden was lightened by at least 2.22 million yuan.

The reduction in the number of district and township general affairs management personnel by Jingzhou Prefecture is the largest. Jingzhou Prefecture originally has some 7,400 general affairs management people and later reduced them by some 1,400. It now has about 6,000 general affairs management people.

The reduction in general affairs management people not only lightens the peasants' burden; the redundant personnel can be sent to reinforce all trades and professions in rural areas. This is beneficial to the promotion of the still faster development of the rural economy.

GUIZHOU MEETING DISCUSSES PRODUCTION PROBLEMS

HK150249 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 14 Feb 86

[Excerpts] The provincial people's government held a telephone conference on industrial production on 14 February, which reported on the January production situation and demanded that the staff and workers of the industrial and communications system urgently mobilize and work in concert to promote production as quickly as possible and strive to fulfill the first quarter production tasks. Governor Wang Chaowen and Vice Governor Liu Yulin took part in the meeting and spoke. The meeting pointed out that due to shortages of electric power, fuel, and raw materials, and also to objective reasons, the province failed to achieve the January industrial production plan. It is essential to attach great importance to this situation. All areas and departments must immediately carry out a serious analysis of current industrial production and review experiences and lessons. In particular, they must discover the objective reason, see the favorable factors and the potentials, and study and decide on corresponding effective measures to rapidly promote production. The meeting put forward the following demands on current production:

1. Brace spirits and unify understanding. Comrade Hu Yaobang recently came to Guizhou and delivered instructions on the province's industrial and agricultural production, specifically setting out the province's goals of endeavor in economic development. The cadres at all levels must apply these instructions to unify their thinking.
2. Persevere in reform and further mobilize the enthusiasm of the enterprises and the staff and workers.
3. Focus on the key points. On the basis of getting a clear idea of the situation, it is necessary to arrange work in order of priority and put all measures on a sound basis.
4. Work hard to bring into play the benefits of those projects that have gone into production.
5. Improve leadership style and work efficiency. It is essential to devote great efforts to achieving a better level of production in February and March and ensure a certain growth rate under the premise of improving economic results.

GUIZHOU PEASANTS PER CAPITA INCOME INCREASES

HK130703 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 12 Feb 86

[Excerpts] According to a recent sample survey conducted by the provincial rural sampling survey team on the income and expenditure of 2,240 peasant families in 32 counties, cities, districts, and special districts, including Zunyi, Tongzi, Sinan, Puan, (Hezhang), Yongan, Majiang, Huaxi, and Liuzhi, the per capita income of the peasants in 1985 was 397.58 yuan, and their net per capita income was 287.41 yuan, increases of 12 and 14 percent respectively over 1984.

The survey indicates that, except for a reduction of 13.14 yuan in the per capita income from grain due to the decrease in grain output in 1985 through natural disasters, their income increased over 1984 in forestry, animal husbandry, fishery, the building industry, transport, commerce, the catering industry, service industry, industry, the handicraft industry, and labor services. The peasants' main source of cash income was in selling commodities. Their per capita income from selling grain, pigs, poultry, and eggs alone amounted to 129.58 yuan, an increase of 18.8 percent over 1984. As a result of the development of commodity production, the number of poor households decreased while that of better-off households increased. Of the over 2,000 peasant households surveyed, there are 1,385 households whose per capita income is less than 300 yuan, marking a decrease over 1984, and 855 households whose per capita income is more than 300 yuan, marking an increase over 1984.

HEBEI SECRETARY ATTENDS TEACHERS FESTIVAL FORUM

SK150245 Shijiazhuang HEBEI RIBAO in Chinese 2 Feb 86 p 1

[Text] On 1 February, the scientific and educational department of the provincial CPC Committee, the provincial educational commission, and the provincial educational workers trade union jointly held a forum to extend festival regards to teachers. More than 40 representatives of teachers in Shijiazhuang and leading comrades of the province happily gathered to speak glowingly of the achievements made by the educational front over the past year and to discuss a matter of vital importance concerning vitalizing educational undertakings.

The representatives of the teachers participating in the forum were very excited. They said that since the 3d Plenary Session of the 11th CPC Central Committee, the party and the government have shown cordial concern for the teachers by taking a series of measures for upgrading the political position of teachers, helping them to solve many practical problems, and improving their working and living conditions. The representatives of teachers of institutions of higher learning set forth good opinions on the orientation for running normal schools, and on the educational reform and scientific research among the institutions of higher learning. In their speeches, the representatives of the teachers analyzed the current situation in which schools are carrying out ideological and political work, and called on the whole society to show concern for the growth of youngsters and to strengthen the education on "having ideals, morality, knowledge, and a sense of discipline" and the education on legality among the students of primary and middle schools and universities. They also put forward their ideas on developing preschool education, universalizing the 9-year compulsory education, achieving the secondary educational restructure, and grasping the education especially for the blind and the deaf-mutes.

Leading comrades of the province, including Xing Chongzhi, Chen Yujie, and Wang Zuyu, made speeches and extended festive greetings to the teachers. Among those present at the forum were Han Qimin, Wang Enduo, and Xu Ruilin.

TIANJIN'S NI ZHIFU VISITS GARRISON DISTRICT

SK060335 Tianjin City Service in Mandarin 1430 GMT 5 Feb 86

[Text] This afternoon, together with the responsible comrades of relevant departments, leaders of the municipal CPC Committee, the municipal People's Congress, the municipal government, and the municipal CPPCC Committee, including Ni Zhifu, Li Ruihuan, Wu Zhen, Nie Bichu, Bai Hua, Zhao Jun, Lu Xuezheng, Zhao Jinsheng, Zhent Wantong, and (Huang Yanzhi), visited the organ of the Tianjin Garrison District. Zheng Guozhong, commander of the Tianjin Garrison District, and Lan Baojing, political commissar of Tianjin Garrison District, gave them a warm welcome.

Before this, the municipal CPC Committee and the municipal government respectively sent four groups to extend regards to the organs at or above the division level, cadres' sanatoriums, and hospitals under the Tianjin Garrison District. The groups helped solve and explained the problems regarding military training, production, and the livelihood of army men. The Army forces were very satisfied with this.

GANSU CIRCULAR CALLS FOR FIGHTING DROUGHT

HK160323 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 15 Feb 86

[Excerpts] The provincial government recently issued a circular calling on the province to base its spring farming efforts on taking precautions against and fighting drought.

The circular said: There has been very little precipitation since last winter, and temperatures have been higher than normal. Soil moisture is rather low in most places. There is also less water in the reservoirs in the Hexi area than in normal years. Autumn and winter irrigation in some places was not done as well as in the past. At the same time, according to meteorological departments, rainfall in March, May, and June this year will be less than normal, and some places will suffer spring and summer drought. This is particularly likely in the central part of the province. In addition, due to the dry winter and spring drought, there will be a medium infestation of plant diseases and insect pests.

The circular demands that various localities act in light of local conditions in taking precautions against and fighting drought, and make a success of spring farmwork.

XINJIANG REPORTS ON RURAL WORK, REFORM

Part 2

HK130340 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 4 Feb 86

[Report by Tomur Dawamat, deputy secretary of the regional CPC Committee and chairman of the regional government, at rural work conference in Urumqi from 22 January to 2 February: "Further Implement Policies, Continue To Conduct In-depth Reform, and Promote the Rural Economy To Develop Continuously, Steadily, and in a Coordinated Way" -- recorded]

[Excerpts] III. Continue Reform; Carry Out Reform in Depth

The in-depth development of rural reform in vast areas involves the relationships between the city and countryside, between workers and peasants, and between supply and demand. This will inevitably affect the traditional management system and be tied more and more closely to the overall national economy. After the meeting of urban and rural reforms, there may be increases or decreases in the prices of a handful of commodities this year in accordance with the market demand and the ability of factories, commercial, and financial departments and on the premise of maintaining the prices of most commodities. The initial idea is to reasonably increase the purchase prices of wool and other livestock products and grain; to reasonably decrease the sale prices of chemical fertilizer and other means of agricultural production; to reduce unreasonable price increases for electricity; and to appropriately widen the price differences of different commodities in accordance with the principle of high prices for fine products. The price of wool should be calculated in [words indistinct] in accordance with the spirit of the document issued by five central ministries and commissions. It is necessary to instruct the regional planning committee, the regional economic committee, the regional price bureau and other departments concerned to formulate concrete plans for implementing the above measures and then report them to the regional people's government for approval and implementation.

State-run commerce must play an active role in market regulation so as to stabilize the relationship between supply and demand.

Therefore, it is necessary to speed the reform of state-run commerce, to give new vitality to state-run commerce, and to thoroughly change aspects of the situation unsuited to opening up to the outside world and enlivening the domestic economy.

Supply and market cooperatives, as the main channel in rural circulation, must speed reform and change themselves not just in name but in reality from officially run organizations into cooperative economic organizations run by peasants.

In circulation, we must emancipate our minds to add some new channels. We must boldly try new types of commercial enterprises involving different areas which either combine agriculture and industry, agriculture and commerce, or industry, agriculture and commerce, so as to solve the problem of poor circulation in all fields. Meanwhile, we must further perfect the economic contract system in accordance with the principle of voluntary participation and mutual benefit so as to coordinate peasants' economic activities and to bring rural commodity production in line with the state plan.

It is necessary to further develop and perfect local cooperative economic organizations which combine centralized and decentralized operations, and various specialized cooperative organizations. It is particularly necessary to encourage peasants to cooperate in the processing, storage, delivery, and sale of agricultural products.

IV. Never Relax Grain Production; Continue To Develop Diversified Economy

In accordance with the principle of carrying out small readjustments while retaining overall stability, the region must, on the basis of ensuring a steady increase of grain output, develop diversified economy in 1986. The grain-growing area must not be further reduced, but must be rationally increased. In particular, it is necessary to expand the area for growing [words indistinct] and other forage, and for growing green manure crops. On the premise of ensuring grain production, we must go all out to develop diversified economy according to the needs of market and natural resources. We must stress upgrading the average operation level, increasing the yield per unit area, and upgrading product quality. We must gradually set up commodity bases to produce fine quality grain, cotton, melons, and fruits so as to have good, diverse commodity production.

Grain is a commodity subject to planning. The target set by the region for grain purchase by contract is a mandatory one. Government at all levels must assign the task level by level to peasant households and production units that really have the ability to sell grain. Purchase units can thus directly negotiate with peasant households and sign grain purchase contracts directly. Each party to the contract must understand the reasonable demands and practical difficulties of the other side. The means of production to be requisitioned for use at low prices as stipulated by policy must be included in the contracts. Once signed, all contracts must be properly executed by both sides. In order to arouse the enthusiasm of peasants for producing grain, it is necessary to adopt different grain purchase policies according to different conditions. Grain purchase contracts must be signed before the Spring Festival.

V. Put Animal Husbandry in a More Prominent Position

Putting animal husbandry in a more prominent position is a great transformation in the region's rural economic structure and strategic layout. To achieve the transformation, the essential thing is that we deepen our understanding of animal husbandry and strengthen our leadership over animal husbandry and work in pastoral areas. The development of animal husbandry is an important issue concerning whether or not rural and pastoral areas can become rich.

The regional CPC Committee and people's government have decided to implement Comrade Hu Yaobang's instruction on putting animal husbandry in a more prominent position, adhered to the principle put forth by the central leadership on vigorously developing animal husbandry, and done their utmost to change the long-standing situation of underdeveloped animal husbandry. Principal party and government leaders at all levels must attach importance to animal husbandry production, and promptly and properly solve various problems arising in the course of developing it. Planning, financial, and materials departments must treat animal husbandry as an important issue and vigorously support its development. In doing so, we must proceed from the region's reality, adhere to the principle of laying equal stress on animal husbandry in rural areas and animal husbandry in pastoral areas, and developing animal husbandry in rural, pastoral, and city suburban areas simultaneously.

As there are abundant forage resources in the region's rural areas, there are good prospects for developing animal husbandry. Experience in many areas indicates that developing animal husbandry in rural areas can not only increase peasants' income, promote the development of the processing industry, and make peasants rich at an earlier date, but can also alleviate the burdens on pastoral areas and provide pastoral areas with a chance for rehabilitation. To develop animal husbandry in rural areas, we must first change the previous practice of treating it as a sideline production and make it one of the main rural products. Farming and animal husbandry depend on and promote each other. Without farming as a foundation, it is impossible to develop animal husbandry; likewise, without the support of animal husbandry, it is also impossible to continuously and steadily develop farming in rural areas. We must properly combine farming on the first line with animal husbandry production on the second line, and establish a farming-breeding type agricultural structure so as to achieve better economic results and improve ecological balance.

It is necessary to further implement various policies on animal husbandry. More than 90 percent of livestock owned by collectives in the region has now been sold to peasant households on the installment plan. Most grasslands have been contracted for by individual households. This should be continuously consolidated and perfected through investigation and study. Payment of livestock sold to peasants should be spread over 10 to 15 years. The money received for payment of livestock sold to peasants and grassland fees collected must be properly controlled. The money should be used for developing animal husbandry, not for other purposes.

Part 3

HK130544 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 5 Feb 86

[Excerpts] VI. Town and Township Enterprises Must Develop Rapidly

In 1985 town and township enterprises in the region earnestly implemented the spirit of Document No 4 of 1984 and Document No 1 of 1985 issued by the central leadership, thereby achieving relatively good results. The total income of the region's town and township enterprises for 1985 is expected to reach 900 million yuan, an increase of 42 percent over 1984 and attaining the target of an annual increase of 200 million yuan. The industrial output value of the town and township enterprises is expected to reach 400 million yuan, an increase of 87 percent over 1984. More than 260,000 people were employed by the region's town and township enterprises in 1985, an increase of 55.7 percent over 1984. What is gratifying is that the total income of town and township enterprises in Changji Autonomous Prefecture, Kashi Prefecture, and Urumqi County exceeded 100 million yuan. This is a big breakthrough. The number of counties whose town and township enterprises' income exceeded 10 million yuan increased from 19 in 1984 to more than 30 in 1985.

Practice has proven that developing town and township enterprises is the road the region must follow in invigorating its rural economy, and is of great importance to promoting the readjustment of the region's rural production structure, to [words indistinct], to making peasants and herdsmen affluent as soon as possible, to doubling and quadrupling the region's agricultural output value, and to building a new socialist countryside with Chinese characteristics. We must fully understand this.

Town and township enterprises in the region are only in an early stage, and the region lags far behind other provinces and regions in this respect. Therefore, the region must rapidly and vigorously develop town and township enterprises. On one hand, it is necessary to properly consolidate and improve existing enterprises, tapping their potential; on the other hand, it is necessary to develop some new projects in a planned way and adhere to the principle of townships, villages, combined households, and individual households developing projects simultaneously. We must stress developing agricultural and sideline products and the food and plastics industries, in line with the principle of using agriculture as the base and serving agriculture.

In addition, we must pay particular attention to introducing investment from other provinces and autonomous regions and establishing lateral ties within the region; extensively and widely carry out economic and technological cooperation; encourage lateral economic combinations involving different areas and trades; and actively bring in technology, funds and talented people from other provinces and regions.

VII. Increase Investment; Continuously Improve Conditions for Developing Agriculture and Animal Husbandry

This year's Central Document No 1 pointed out that to maintain a balanced development of industry and agriculture, from the Seventh 5-Year Plan, the state will reasonably increase its investment in capital agricultural construction and agricultural administration costs. Increasing investment and continuously improving conditions for developing production of agriculture and animal husbandry is not only necessary for current production but also for the vigorous development of agriculture and animal husbandry in the last 10 years of this century. Without this, there will be no future benefits in the development of agriculture and animal husbandry. We must realize that the relatively high growth rate in the region's agriculture and animal husbandry over the past few years is mainly due to the contract responsibility system on a household basis and the accumulated achievements in capital agricultural construction over the past 30-odd years. The existing foundation cannot maintain a protracted and steady growth in agriculture and animal husbandry, and give special consideration to the more vigorous development of agriculture and animal husbandry in the future. We must increase investment. The central leadership has decided to increase investment in agriculture, and the regional authorities will also reasonably increase investment in capital construction in agriculture and animal husbandry and administration costs for agriculture and animal husbandry. It is hoped that all prefectures, autonomous prefectures, and counties follow suit. They must do their utmost to increase investment in agriculture and animal husbandry.

Water conservation is a prerequisite for developing the region's agriculture and animal husbandry. Comrade Wang Enmao has always paid serious attention to this. His 5-year policy on rural construction with water conservancy as its central point is a scientific summary of the focus and target of the region's capital agricultural construction, and is characterized by a distinctive Xinjiang style. We must firmly and properly grasp water conservation work.

According to weather forecasts, there may be serious droughts in the region this year. All localities must properly carry out anti-drought work. In addition, we must exert more efforts to improve saline-alkaline soil. During the Seventh 5-Year Plan period, we must strive to fulfill the plan of improving 1 million mu of saline-alkaline land each year.

Water conservation construction in pastoral areas is a weak link in the region's water conservation work. During the Seventh 5-Year Plan period, we must grasp the building of grasslands. While preserving and improving natural grassland, we must vigorously build bases for producing man-made forage grass, installations for processing forage grass, and livestock sheds and pans. Water conservancy departments must pay serious attention to water conservancy construction in pastoral areas and give support in organization, technology, and funds to grasp the work effectively.

Developing afforestation for our motherland is China's basic policy and an important measure for improving production conditions and ecological environment. The region has a poor foundation in forestry production and ecological environment. Serious natural disasters often occur in the region. It is therefore necessary to persevere in vigorously developing forestry. We must further implement policies on forestry and arouse universal enthusiasm for planting and raising trees. We must continue to grasp the construction of shelter-forests in farm land so that more counties can achieve the target of all farmland protected by shelter-forests. Low-yield farmland should be converted to forests according to local conditions.

VIII. Rely on Science and Technology To Develop Productive Forces

The fundamental solution for agriculture lies in technological transformation. Experience in agricultural development both at home and abroad indicates that the economic results per unit area yielded by labor force and funds are restricted by backward science and technology. Without development of science and technology, some day we shall [words indistinct]. Since the 3d Plenary Session of the 11th CPC Central Committee, along with the in-depth development of rural reform, the region has strengthened scientific and technological work in agriculture and animal husbandry. The promotion of some new scientific and technological achievements and the wide use of fine varieties have produced good economic results.

The successive years of bumper harvest in the region were closely related to the hard work of scientific and technological personnel, those on the agricultural and animal husbandry fronts in particular. The current problem is that in order to continue developing the excellent rural situation and to further develop the rural economy, merely arousing peasants' and herdsmen's enthusiasm is insufficient. We must arm peasants and herdsmen with science and technology. Only by strengthening work in scientific and technological resources is it possible to make new and greater developments in agriculture and the whole rural economy. This is the key to further development of the region's rural economy. Party and government cadres at all levels must further understand the importance of science, technology, business management, knowledge, and talented people, and must firmly grasp the matter with their practical action.

On the issue of using science and technology to serve the rural economy, we must stress the following at present and for a relatively long time to come:

1. We must rely on science and technology to upgrade yield per unit area, to improve the variety and quality of agricultural and livestock products, and to promote the production of agriculture and animal husbandry at a relatively high technological level.

2. We must arm town and township enterprises with science and technology and actively train and dispatch management executives to town and township enterprises.
3. We must continue to properly investigate agricultural resources and carry out agricultural zoning, make full use of the achieved results, and properly readjust the rural production structure.
4. We must pay serious attention to training talented people for rural areas.

Two problems now exist in the region's science and technology of agriculture and animal husbandry:

1. Some scientific and technological research achievements have not yet been promoted due to lack of technological coordination and effective organizational guidance.
2. Production and management departments in agriculture and animal husbandry have failed to closely cooperate with scientific and technological research departments in agriculture and animal husbandry. They have separate systems. The problem of separation between scientific research and production has not yet been properly solved.

Therefore, we must adhere to the principle that economic construction should rely on science and technology, and science and technology must serve economic construction; strengthen the cooperation between [words indistinct] and actively promote the existing scientific research achievements and trial technology.

Part 4

HK130710 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 6 Feb 86

[Excerpts] IX. Properly Carry Out the Work of Supporting Poor Areas; Effectively Alleviate Peasants' and Herdsmen's Burden

Although the region's rural economy has developed greatly and the livelihood of peasants has been upgraded, peasants and herdsmen in some areas are still poor. Twelve percent of peasant and herdsmen's households have a per capita annual income of less than 100 yuan. The poor areas are mainly in Hotan Prefecture, Kashi Prefecture, Kizilsu Autonomous Prefecture, and some pastoral areas in central and eastern parts of Tianshan. There are also one or two poor townships and villages in prefectures, autonomous prefectures, and counties in which the economy is relatively developed and the per capita income is high. Due to historical reasons and the disparity in natural conditions, economic structure, foundation, and implementation of policies, there is uneven economic development in southern and northern Xinjiang and in rural and pastoral areas. We must correctly analyze and appraise this.

Helping poor areas to change their circumstances is an important matter with great political and economic significance. When inspecting the region last year, Comrade Hu Yaobang pointed out that making our country powerful and prosperous and the people rich is our goal for building socialist modernization. Cadres at all levels and party members must think and do everything with this goal in mind. This is also our guiding thinking in carrying out the work of supporting the poor. In this year's rural reform we must implement the party's policy of making the people affluent in all-round way. While encouraging some areas and peasants and herdsmen to become rich first, we must also help poor areas and households to change their situation so as to attain the goal of common prosperity.

In helping poor areas to be rid of poverty and become affluent, on the one hand we must adopt an active attitude; on the other, we cannot expect too much but must proceed from reality, act in accordance with the laws of nature and the laws of economy, and solve the problem in groups and by stages.

According to conditions, poor areas can pay less agriculture and animal husbandry tax or town and township enterprise tax or be exempted from the taxes. Collectives should reserve as little retention money as possible and spend less on administration. All unreasonable charges on peasants should be cancelled to alleviate their burden.

On the use of funds for supporting the poor, it is necessary to review previous experiences and draw lessons so as to use the funds concentratedly and appropriately. It is necessary to thoroughly check the previous funds for supporting the poor and let all prefectures and autonomous prefectures arrange and use the funds in a unified way.

On the issue of supporting poor areas and households in science and technology, in addition to giving them specific technological guidance, it is necessary to train technological personnel for poor areas in groups, by stages, based on the county unit, so as to upgrade the scientific and technological level of poor areas. We can also select some outstanding cadres of the third echelon from prefectures, autonomous prefectures, and counties and dispatch them to poor areas to carry out work and temper them in rotation. They should be given preferential treatment in wages.

Party and government organs at all levels must put supporting the poor high on their agenda, formulate feasible plans for getting rid of poverty, make concrete arrangements, be determined to carry out the plans and arrangements, and strive to achieve better results within 3 to 5 years.

On the issue of the peasants and herdsmen's burdens, as instanced in reports from all areas in the region, units and departments in some areas arbitrarily charged peasants and herdsmen and wantonly raised funds and collected various fees from them. Peasants and herdsmen complained bitterly about this. The main reason for this is some departments and units have overestimated the degree of wealth of peasants and herdsmen. They want to do everything in a big way and apportion charges to, and raise money from peasants and herdsmen far beyond the latter's means.

Just like the issue of helping poor areas, alleviating the peasants and herdsmen's burden is an important rural policy of the party. The CPC Central Committee and State Council have given repeated injunctions and specially issued a document on this. The regional authorities will also issue a document on it. All prefectures, autonomous prefectures, cities, and counties must seriously implement the documents and carry out the work in a down-to-earth manner.

X. Bring Into Full Play the Role of the Xinjiang Production and Construction Corps in Building Agricultural Modernization in the Region

The Xinjiang Production and Construction Corps is a powerful force for consolidation, for developing stability and unity in the region, and for safeguarding the motherland. Farms under the corps are state-run agricultural enterprises which develop agriculture, forestry, animal husbandry, sideline production, and fishery in an all round way and engage in comprehensive operation of agriculture, industry, and commerce. With a relatively developed commodity economy, the farms under the corps are driving forces in building agricultural modernization in the region.

It is hoped that the Xinjiang Production and Construction Corps will make continuous efforts, take new steps in reform and production, achieve greater results, and play a more important role.

The farms must resolutely implement the spirit of Document No 1 of the central leadership, put reform above all else, continue to review the experiences of running household farms, and solve new problems which may arise from time to time. In particular, they must properly solve the problem of alleviating the burden of their staff and workers, so that the system of dual operation of big farms and household farms can be perfected.

As in the past, the region must vigorously support the economic development of the Xinjiang Production and Construction Corps, highly value the corps, an important force, and bring into play the role of the corps in exploiting and building Xinjiang. All localities must support the corps and the corps must support all localities. They must promote each other and develop jointly.

XI. Strengthen Leadership Over Rural Work; Attach Importance To Building Spiritual Civilization in Rural Areas.

The in-depth development of rural reform has resulted in changes in the contents and forms of rural work. Leaders at all levels are thus required to adopt themselves to the new situation. They must study not only the internal relationships of agriculture but also the relationship between supply and demand. They must know the law of commodity economy and take an overall view of the economic situation.

Leaders at all levels must earnestly study and implement the spirit of the speeches delivered by Comrade Hu Yaobang and other central leading comrades at the central organ cadres meeting, correct malpractices, oppose corruption, overcome bureaucratism, seriously improve leadership style, and set an example in correcting party style.

Strengthening the building of rural grass-roots party organizations and rural grass-roots structures and upgrading the quality of cadres at all levels are the foundation for properly carrying out rural work. The vast majority of grass-roots party organizations, party members and cadres in the region are good. They work hard on the first line of production of agriculture and animal husbandry and have made great achievements. On behalf of the regional CPC Committee and the regional people's government, I hereby extend thanks to them.

However, in the preceding stage, quite a few areas neglected the building of rural grass-roots party organizations and ideological and political work. The phenomenon of lax organization and poor work can be seen in many places. Some party member cadres engaged in malpractices and were divorced from the masses.

This year we must properly consolidate, upgrade, and train grass-roots leadership groups in connection with party rectification in rural areas and upgrade the cultural level and political quality of grassroots cadres. Through party rectification, we must strengthen the fighting power of grass-roots party organizations and bring into full play the role of party members as pioneers and vanguards. We must encourage those grass-roots party member cadres and party members who led the masses in getting rich and who took the lead in becoming affluent through labor, and guide them to help and lead the masses to get rich jointly. Those who got rich by taking advantage of their power must be criticized and educated. Those who violated law and discipline must be severely punished.

Our region is a big family inhabited by many nationalities. We must fully understand the importance of unity of nationalities, deeply conduct education in unity of nationalities and nationality policies, and firmly establish the idea of inseparable relations between the Han and minority nationalities.

Rural work organs under CPC committees and governments at all levels are concrete work departments through which the party and government exercise their leadership over rural work. Under the current situation of rapid development in rural areas, we must pay particular attention to building rural work organs, strengthen our leadership, transfer competent persons to rural work organs, and fully exploit their role.

Comrades, this year is the first year of the Seventh 5-Year Plan, as well as a year for further in-depth development of rural reform. We must seriously implement the spirit of the central rural work conference and Document No 1, adhere to reform, carry out reform in depth, do rural work in a down-to-earth manner, strive to reap bumper harvests for 9 years in succession in the region, promote a continuous, steady, and coordinated development in the region's economy, and make greater contributions to making our country prosperous and powerful and the people rich.

BRIEFS

XINJIANG EDUCATION BOOST -- Urumqi, 17 Feb (XINHUA) -- More than 2,800 college and middle school teachers from Xinjiang Uygur Autonomous Region have been trained in other parts of China over the past 2 years. The remote north-western region has established links with colleges in Beijing, Shanghai, and 15 provinces and regions since 1982, a local education official here said. These colleges sent more than 300 professors and lecturers to teach in Xinjiang, and enrolled 2,160 ethnic minority students from the region. They also provided schools in Xinjiang with books and teaching facilities worth more than 5 million yuan. Last year, the region signed agreements with 10 universities in Beijing, Shanghai, and other big cities to train 180 graduate students from Xinjiang in the next 5 years. [Text] [Beijing XINHUA in English 0708 GMT 17 Feb 86 OW]

COMMENTARY LABELS REUNIFICATION TALK 'PROPAGANDA'

OW140829 Taipei International Service in English 0200 GMT 14 Feb 86

[Station commentary]

[Text] On the eve of the Chinese lunar new year, which began on Sunday [9 February], Peking expectedly launched another propaganda barrage to sell its peaceful reunification plan. The official PEKING REVIEW even promised that the Chinese people in Taiwan could retain their present system until at least 2047, the year Hong Kong guarantee has expired under the 1984 pact between London and the Chinese Communist regime. The XINHUA NEWS AGENCY claimed that the ROC people are defying the government policy of no contact, no negotiations, and no compromise, citing as evidence some unauthorized private visits to the mainland by ROC citizens and indirect trade between Taiwan and the mainland. It must be pointed out that those who have visited the mainland against the government advice are extremely small in number. Furthermore, the action has nothing to do with politics. They took the trip only to meet their relatives, not as a gesture in support of Peking's call for reunification under communism. The fact that none of the visitors stayed on the mainland or paid a second visit is positive proof that they don't like what they saw and heard on the mainland.

As for indirect trade, it has even less bearing on the reunification issue. To begin with, there is no way for the ROC Government or manufacturers to prevent goods already exported from being shipped to the mainland. Peking's claim that indirect trade shows the mutual economic dependence between the two parts of China is equally absurd. The Republic of China became prosperous without getting any help from the mainland. Besides, the volume of indirect trade accounts for only a fraction of 1 percent of the Republic of China's total trade, far too insignificant to make any difference to its economy.

As for Peking's guarantee that the ROC may keep its present system as long as Hong Kong does, it is worth nothing. Even a fool would not trust it. Even the PEKING REVIEW admitted that most people are concerned about whether the Communist Party will swallow up or assimilate Taiwan within the next 62 years. As a matter of fact, the concern has already been justified as far as Hong Kong is concerned. Developments of the past several months have amply revealed Peking's plan to seize the control of the territory long before the 1997 takeover. If the Republic of China were to agree to the Hong Kong formula, it would certainly be swallowed up in no time. Only an idiot could place trust in Peking's promises and pledges.

U.S. RELATIONS WITH TAIWAN, PRC DEBATED

OW130841 Taipei International Service in English 0200 GMT 13 Feb 86

[Station commentary]

[Text] U.S. Assistant Secretary of State Paul D. Wolfowitz told the Senate Foreign Relations Subcommittee earlier this week that U.S. ties with the Republic of China do not conflict with U.S. relations with Peking, and the United States has been much more respected in the world as a result. Reaffirming the U.S. commitment to the defense of Taiwan, Wolfowitz said: We will keep this commitment. He said he sees no conflict between the Taiwan Relations Act and the 1982 Joint Communiqué.

Seven years after the U.S. derecognition of Taipei, Washington-Peking ties are once again causing worries to the people of Free China and their friends in the United States, as the United States appears moving steadily to form a quasi-ally relationship with Red China.

The relaxation of restrictions on technology transfer to Peking and the decision to sell military equipment to Red China are instances that stand out sharply in contrast with Washington's reluctance to sell more sophisticated defense weapons to the Republic of China.

However, ROC-U.S. ties on the whole are on an even scale. Despite the absence of diplomatic representation, these ties are so close that they can be even between two formal allies. The government and people of Free China also have an implicit trust in President Ronald Reagan in his pledge not to betray the 19 million Chinese on Taiwan. Taipei can draw comfort from the fact that Washington has refused to stop arms sales to the ROC or to apply pressure on the Chinese Government to enter peace talks with Peking. It shows the Reagan administration is aware that the last line of retreat has been reached so far as Taipei-Washington ties are concerned.

Still, one cannot help wondering how the U.S. commitment to the security of Free China can be sustained if Washington continues to uphold the August 17 Joint Communiqué more than it does the Taiwan Relations Act. As an American congressman recently pointed out, the two documents do contradict each other. The Taiwan Relations Act calls for sales of weapons to the Republic of China sufficient for its defense, whereas the Joint Communiqué obligates the United States to gradually reduce its arms sales to the ROC. The only thing that mitigates the contradiction between the two is the proviso in the Joint Communiqué that the reduction of arms sales is based on the assumption that Peking will not resort to force to achieve reunification. The trouble is that Washington has taken Peking's so-called peaceful intentions for granted. Well, the Chinese Communist regime has adamantly refused to rule out the use of force to bring the Republic of China to its knees.

CHIANG RECEIVES S. AFRICA ENVOY, U.S. GROUP

OW131415 Taipei CNA in English 1343 GMT 13 Feb 86

[Text] Taipei, Feb. 13 (CNA) -- President Chiang Ching-kuo of the Republic of China Thursday received South African Ambassador P. van Vuuren and a mission of the U.S. House of Representatives led by Rep. Donald K. Sundquist (R-TN). Van Vuuren, who is scheduled to leave for home in early March for a new assignment, visited President Chiang to bid him farewell.

During the audience, President Chiang lauded the out-going ambassador for his outstanding contribution to the promotion of diplomatic, economic, and other relations between the two countries. The South African ambassador expressed thanks to the ROC Government and people for the assistance and support accorded to him during his tour of duty in Taipei.

President Chiang also received Rep. Sundquist and other members of the congressional mission, including Rep. Harold Rogers (R-KY), Rep. Webb Franklin (R-MS), and Rep. John R. Miller (R-WA). During the meeting, President Chiang exchanged views with the U.S. lawmakers on the relations between the two countries and urged them to visit various parts of the country during the Chinese lunar new year so as to better understand the Chinese society and its culture and customs.

The U.S. lawmakers, who arrived here Tuesday for a five-day visit, were also received Thursday by Premier Yu Kuo-Hwa. Yu exchanged views with them on matters of mutual concern.

The South African and U.S. visitors were accompanied during the meetings by Shen Chang-huan, secretary general of the Presidential Office.

KMT SECRETARY GENERAL ADDRESSES OVERSEAS CHINESE

OW150349 Taipei CNA in English 0239 GMT 15 Feb 86

[Text] Taipei, Feb. 14 (CANA) -- The nation has overcome many difficulties and made remarkable achievements in various fields in the past year, Mah Soo-lay, secretary general of the Central Committee of the ruling Kuomintang, told a group of Overseas Chinese visitors and scholars Friday. Speaking at a New Year party in honor of Overseas Chinese representatives and scholars, Mah said that the nation encountered some problems last year as the world economy remained sluggish and the local industry underwent transformation. Thanks to right government policy and concerted efforts of the public and private sectors, the nation managed to tide over the difficulties and made steady progress on different fronts.

Politically, the government successfully held fair local elections. Economically, the government has drawn up a blueprint for future development. Technologically, local researches have scored some significant breakthrough in certain strategic industries.

On the mainland situation, Mah asserted that Peiping's current economic reforms can never succeed and that power struggle in the Communist Party will become even fiercer in the future. The democratic movement staged by mainland students in recent years also would pose heavy pressure on the Peiping regime, the ranking KMT official noted.

On Overseas Chinese affairs, Mah stressed that the government will continue offering services and care for Chinese nationals residing abroad and returning Overseas Chinese scholars and their dependents.

Tseng Kwang-shun, chairman of the Overseas Chinese Affairs Commission, also spoke at the occasion. Tseng said Overseas Chinese people have expressed loyalty and firm support for the national cause in past years. He called on Chinese people both at home and abroad to dedicate themselves to the mission of national recovery in the coming years.

The New Year gathering was co-sponsored by the Overseas Chinese Affairs Commission and the KMT Central Committee's Department of Overseas Affairs. Hundreds of Overseas Chinese representatives and scholars, as well as government and party officials attended the gathering.

PREMIER COMMENTS ON RELATIONS WITH LATIN AMERICA

OW151415 Taipei CNA in English 1354 GMT 15 Feb 86

[Text] Taipei, Feb 15 (CANA) -- Premier Yu Kuo-hwa said Saturday that the Republic of China maintains good relations with many Latin American nations and hopes to strengthen cooperation with them in the future. In an interview with Regino Diaz Redondo, director of the influential Mexican newspaper EXCELSIOR, Premier Yu said that the political and social instability in many Central and South American countries, caused by the economic problem due to huge foreign debts, could make them vulnerable to infiltration by international communists.

The premier reminded Latin American nations that communism can bring nothing but poverty and disasters to human beings. He called on nations in that part of the world to cooperate closely among themselves and develop their own political and economic systems in order to achieve progress and prosperity. In the interview, Premier Yu, on behalf of the government and people of the Republic of China, extended regards to Mexican people. He also expressed the hope that the two countries will expand cooperation in cultural and technological fields in the coming years.

On the China unification issue, Yu pointed out that reunification is a common wish of Chinese people on both sides of the Taiwan Straits. He told the Mexican journalist that the principal obstacle to the reunification of China is the Chinese Communist tyrannical rule on the mainland which deprive mainland people of freedom and other civil rights. Yu predicted that China will be reunited as soon as the Peiping regime give up communism and opt for democracy and freedom. He also stressed that a free, democratic and independent China will benefit not only Chinese people but also Asian and world peace.

EXCELSIOR is one of the largest newspapers in Mexico, with a circulation of more than 350,000. Diaz arrived in Taipei Monday. He is scheduled to leave here Sunday to continue his Asian and European tour.

CHIANG ORDERS 'REASONABLE' NEW OIL PRICES

OW150247 Taipei CNA in English 0235 GMT 15 Feb 86

[Text] Taipei, Feb. 14 (CAN) -- President Chiang Ching-kuo, concerned about the adjustment of the domestic oil prices, has ordered related government agencies to decide reasonable new oil prices as soon as possible so as to enable the public to enjoy cheaper energy. Vice Economics Minister Li Mo said Friday that the preparatory work on the oil price adjustment is under way and if everything goes smoothly, a new price system will be put into force beginning March 1. Li said the Chinese Petroleum Corporation [CPC] has suggested that gasoline price be lowered by NT dollar 2 (US dollar 0.5) per liter. The new prices for diesel, industrial oil and natural gas will be decided in the next few days, Li added.

Meanwhile, Economics Minister Lee Ta-hai said that the government is managing to maintain the stability of domestic oil prices so as to prevent the possible unfavorable influence on the competitiveness of this nation's products in the world market. Lee also indicated he foresees international crude oil prices fluctuating in the second and third quarters of this year, since the prices fell drastically in the first quarter.

Saudi Arabia and Kuwait, the two main crude oil suppliers to the nation, have agreed to cut the prices of their crude oil sold to the ROC by US dollar 3.6 per barrel, enabling CPC to save about NT dollar 17 billion (US dollar 425 million) in its oil purchasing expenditures annually. If the domestic gasoline price is cut by NT dollar 2 per liter, CPC will have a loss of NT dollar 6 billion (US dollar 150 million) in its revenues yearly.

MINISTER SAYS PROSPECTS BRIGHT FOR 1986 ECONOMY

OW171019 Taipei CNA in English 1010 GMT 17 Feb 86

[Text] Taipei, Feb. 17 (CNA) -- Barring unexpected developments, all indicators show the Republic of China's economic growth will exceed the targeted level this year. Economics Minister Lee Ta-hai expressed this optimism when commenting on current economic development. He said January trade performance was exceptional. If that should continue into March or April, the whole picture will be clear whether Taiwan will have a good year for 1986. According to government statistics, Taiwan exported US \$3.09 billion worth of goods in January, registering a 13.3 percent growth compared with that of the same period last year. On imports, the January figure was US \$1.03 billion, or a hike of 5.5 percent from that of the same month in 1985. Meanwhile, Chen Chao-wei, deputy executive secretary of the Commodity Prices Supervisory Board, said the softening of the American dollar and the decrease in oil prices will help boost the nation's economic recovery.

CHENG MING VIEWS LEADERS' CHILDREN IN BUSINESS

HK130247 Hong Kong CHENG MING in Chinese No 100, 1 Feb 86 pp 6-11

["Notes on a Northern Journey" by Luo Ping: "Children of the Highest Authorities in the Business Fever" -- capitalized passages published in boldface -- first paragraph is CHENG MING introduction]

[Text] Children of influential families do business at four levels: The highest level means Western countries, the second highest means Hong Kong and Macao, the third highest means Shenzhen, and the lowest means Guangzhou. All of them want to do business in Western countries and Hong Kong; many of them are caught up in this business fever. Even the central authorities have failed to prohibit their involvement. The problem is becoming increasingly serious. The higher ranking an authority is, the more disobedient his children are.

"RECENTLY, HONG KONG'S MASS MEDIA HAVE BEEN VERY EXCITED. FOREIGN NEWS AGENCIES AND THE NEWSPAPERS HAVE BEEN STEADILY FILING OR PUBLISHING REPORTS CONCERNING THE ISSUES DISCUSSED IN THE TWO ARTICLES UNDER THE HEADING 'NOTES ON A NORTHERN JOURNEY' IN THE JANUARY ISSUE (NO 99) OF CHENG MING. THE CPC AUTHORITIES CONCERNED HAVE FOR THE FIRST TIME ON THREE OCCASIONS DIRECTLY OR INDIRECTLY CRITICIZED CHENG MING FOR 'SPREADING RUMORS' AND 'VILIFYING THEM.' THIS HAS DRAWN MUCH ATTENTION FROM THE LOCAL PRESS AND THE PUBLIC...."

The above is part of a letter dated January 9 from the editorial board. The letter continues:

"THE JANUARY ISSUE OF CHENG MING WAS PUT ON SALE ON 31 DECEMBER, 1985. THE HONG KONG BRANCH OF THE XINHUA NEWS AGENCY HAS BEEN VERY SENSITIVE TO THE NEWS THAT 'XU JIATUN IS GOING TO BE TRANSFERRED TO BEIJING.' ON THE SAME DAY OUR JANUARY ISSUE WAS PUT ON SALE, IT ISSUED A PRESS RELEASE TO DENY IT, DESCRIBING IT AS 'A RUMOR' AND 'VILIFICATION.' IN FACT, THE 'NOTES ON A NORTHERN JOURNEY' ONLY SAID THAT 'XU JIATUN WOULD NOT BE TRANSFERRED IN THE NEXT 1 OR 2 MONTHS' AND THAT 'HIS TRANSFER COULD TAKE PLACE ABOUT 12 MONTHS LATER.' THE ARTICLE WAS NOT SPECIFIC ABOUT PRECISELY 'HOW MUCH LATER.' IT IS STILL EARLY. HOWEVER, SOME PEOPLE HAVE ALREADY THROWN OFF THEIR RESTRAINT. THIS INDEED PUZZLES PEOPLE. THE PUBLIC RESPONSE IS: CAN XU JIATUN'S ASSIGNMENT ALSO 'REMAIN UNCHANGED FOR 50 YEARS?'"

Will Xu Jiatun's Assignment "Remain Unchanged for 50 Years?"

I have nothing to add concerning this news. In fact, the authorities have long given serious thought to the problem of "replacing" the director of the Hong Kong branch of the XINHUA NEWS AGENCY. Some favored Qiao Zonghuai. Several years ago, he was ordered to "stay" at the Chinese University of Hong Kong for a half year to "study" (quotation marks by the editor) educational administration. After returning to the mainland, he was not appointed a president or vice president of a university but was ordered to return to Hong Kong about 2 years later to lead the Hong Kong branch of the XINHUA NEWS AGENCY. In September of last year, during the CPC National Conference of Party Delegates, he became an alternate member of the CPC Central Committee. However, for various reasons, he still cannot replace Xu for the time being.

Not long ago, word reached me from the foreign service that an important person proposed the replacement of Xu Jiatun by a cadre transferred from Shanghai and that this proposal was shelved. According to Hong Kong visitors in Beijing, although many people in Hong Kong do not like Xu Jiatun very much, they do not want him to leave Hong Kong for home because they are worried that a new director of the Hong Kong branch of the XINHUA NEWS AGENCY may not be as "amiable and easy to approach" as Xu Jiatun is. Xu Jiatun does not have much charm, but party officials generally do not give people a good impression.

By the way, it should be mentioned at this point that the higher authorities have decided among themselves to transfer most of those graduates of the University of Hong Kong and the Chinese University of Hong Kong who returned many years ago to the mainland to work back to Hong Kong. Some of these people were born in Hong Kong. This makes them even more useful.

Why Deny Restricting Japanese Consumer Goods Imports?

THE LETTER FROM THE EDITORIAL BOARD CONTINUES "ON 6 JANUARY, A JAPANESE FINANCIAL GROUP ASKED THE PRC MINISTER OF FOREIGN ECONOMIC RELATIONS AND TRADE TO CONFIRM THE NEWS REPORTED IN 'NOTES ON A NORTHERN JOURNEY' THAT THIS YEAR, CHINA WOULD NOT IMPORT ANY MORE JAPANESE 'CONSUMER GOODS IN GENERAL.' THE MINISTRY OF FOREIGN ECONOMIC RELATIONS AND TRADE REJECTED THE REPORT BY CHENG MING. SOME HONG KONG EXPORTERS AND IMPORTERS HAVE VEHEMENTLY REACTED TO THIS. THEIR OPINION IS THAT BEIJING'S DENIAL IS RIDICULOUS. MANY JAPANESE GOODS TO BE TRANSPORTED TO THE MAINLAND (INCLUDING VIDEO RECORDERS AND PHOTOCOPIER MACHINES) CANNOT ENTER THE COUNTRY AND MUST BE SOLD IN HONG KONG AT REDUCED PRICES. THE TRADE DEPARTMENT OF A CERTAIN BANK IS SELLING VIDEO RECORDERS AT ABOUT \$1,000 APIECE."

Regarding the issue of Japanese goods imports, we never reported that Beijing "will ban the import of all Japanese consumer goods." We plainly and clearly reported that "it would not import any more Japanese consumer goods in general." Naturally, a country should adopt protectionist measures to protect its industry and to prevent an outflow of foreign exchange. Does this mean that a country should not practice protectionism by levying customs duties? Can the authorities justify themselves by means of official "denials?" Actually, since China tightened its control of its foreign exchange reserves, tried to balance its trade with Japan, and adopted measures to protect its industry, fewer consumer goods have been imported from Japan. Since the beginning of this year, many expensive Japanese consumer goods have been prevented from being sold to the mainland. This is precisely why many Japanese tape-recorders and photocopiers are being sold at reduced prices in Hong Kong. Is this not a fact?

A Repudiation of the Negative Statement by the Spokesman for the Ministry of Foreign Economic Relations and Trade

Not only the import of Japanese consumer goods is restricted. Restrictions have also been imposed on goods produced by Western countries and on China's own production of certain consumer goods.

A Beijing economic authority recently told me: Restrictions will be imposed on the production of all expensive consumer goods except some televisions and washing machines. No one is allowed to blindly initiate projects. This "some" implies restrictions. It is said that throughout the country, there are 105 color television assembly lines, some of which are under construction. These assembly lines can produce 7 million color televisions a year. Of these 105 assembly lines, 72 were imported from foreign countries and of the latter, 50 were from Japan. The production capacity of these assembly lines renders insignificant China's capacity for the production of television components and parts. They have exhausted the country's foreign exchange reserves and can make the supply of televisions far exceed demand for them on domestic markets. Thus, the departments concerned have decided to "curtail their production." Under such circumstances, China naturally cannot afford to freely import more televisions from Japan.

In conclusion, the news reported in "Notes on a Northern Journey" that starting from 1 January 1986 China will strictly control consumer goods imports from Japan is 100 per cent true. Denying it is just self-deception (editor's note: According to a report filed from Beijing by ZHONGGUO XINWEN SHE on 22 January, a spokesman for the Ministry of Foreign Economic Relations and Trade announced that from this year on, "we must not blindly import consumer goods if we have the proper conditions to produce them.

("Restrictions will be imposed on the import of those lines for the production of color television sets, refrigerators, cassette recorders, and cars, and we must protect our national industry.") This shows that the ministry acknowledges the accuracy of the news reported in "Notes on a Northern Journey" by refuting its own negation of the report in "Notes on a Northern Journey" half a month ago. Perhaps, this could be described as "the negation of a negation."

Repeated Injunctions Indicate the Seriousness of the Problem

The letter from the editorial board of CHENG MING lays special emphasis on the involvement of the sons of Hu and Zhao in commercial activities. "ASKED BY AN AP REPORTER TO CONFIRM THE NEWS REPORTED IN 'NOTES ON A NORTHERN JOURNEY' CONCERNING THE INVOLVEMENT OF HU'S SON HU DEPING AND ZHAO'S SON ZHAO DAJUN IN COMMERCIAL ACTIVITIES, A SPOKESMAN FOR THE PRC FOREIGN MINISTRY DESCRIBED THE NEWS AS 'A RUMOR NOT WORTH REFUTING.' WE THINK THAT HE HAS BEEN TOO INDISCREET. MANY HONG KONG BUSINESSMEN KNOW THAT ZHAO'S SON IS DOING BUSINESS. WITHOUT GOOD GROUNDS, CHEN YUN COULD NOT HAVE EXPOSED THIS. CONCERNING HU DEPING'S INVOLVEMENT, IT CAN BE INFERRED FROM THE PASSAGE 'PEOPLE TEND MORE TO BELIEVE THAT HE WANTS TO MAKE HIS STUDY OF THE "DREAM OF THE RED CHAMBER" AND HIS QINGNIAN LUNTAN [YOUTH FORUM] A SUCCESS THAN TO BELIEVE THAT HE WANTS TO SEEK PERSONAL GAIN AS THE MANAGER OF A CERTAIN COMPANY' IN 'NOTES ON A NORTHERN JOURNEY' THAT IT IS NOT EASY TO GATHER FACTUAL EVIDENCE ABOUT HIS INVOLVEMENT. THE INFORMATION REVEALED BY 'NOTES ON A NORTHERN JOURNEY' IS MAINLY BASED ON CHEN YUN'S DISCLOSURE OF THE CASE. HOWEVER, IF YOU HAVE SOMETHING TO ADD, THE READERS WILL BE PLEASED TO KNOW ABOUT IT...."

The problem of the involvement of the children of senior cadres in commercial activities is increasingly serious. The CPC Central Committee has more than once circulated within the party documents prohibiting senior cadres, spouses, and children from doing business. This shows that many senior cadres and their children are now involved in commercial activities. The higher ranking a cadre is, the more disobedient he and his children are. Otherwise, there would be no need for the CPC Central Committee to repeat its injunctions. In fact, a large number of the children of central, provincial, and city leaders are caught up in this business fever. In recent years, the number of trade firms and development corporations has increased. Beijing alone has as many as 3,000 such firms and corporations. Most of these firms and corporations either are directly run by children of influential families or have connections with them. Thus, they are referred to by the community as corporations run by children of influential families. The transportation of cars and other goods by naval vessels and military aircraft from Guangzhou and Hainan to other parts of the country was, not surprisingly, masterminded by these privileged corporations. Of course, there are many other cadres whose children are involved in commercial activities as employees of state-run corporations. It is possible that they do not seek personal gain by taking advantage of their employment with the state-run corporations. However, it can be seen from the cases exposed that a large number of them have used public office for private gain.

Zhao Dajun Is the General Manager of the Shenzhen New Technology Development Corporation

Indeed, it is an open secret that Zhao Dajun, Zhao's eldest son, is doing business in Shenzhen. On several occasions, some of those "cadres heading for the south" told me in Beijing that on the 8th floor of the Xinghua building, Shennanzhong Road, Shenzhen, there is a corporation occupying the whole floor, which has a total area of about 8,000 square feet, and that this corporation is the "Shenzhen New Technology Development Corporation." The general manager of this corporation is Zhao Dajun, Zhao Ziyang's eldest son. One of the corporation's two assistant managers is a person surnamed Li and the other is surnamed Liu. Shortly after the earth-shaking "Tiananmen incident," on 5 April 1976, the gang of four made this Mr Liu famous by trying to track him down and apprehend him.

The Shenzhen New Technology Development Corporation was founded in April, 1985. Its present office was first occupied by a petrochemical supplies corporation, now being investigated by the CPC.

The Shenzhen Petrochemical Industry Corporation was the parent company of this "petrochemical supplies corporation" and other corporations. The responsible person of this petrochemical supplies corporation was Dong Dabao, who was convicted of economic crimes. After Dong's arrest in April, 1985, a certain person in Shenzhen recommended Zhao Dajun as Dong's replacement. However, Zhao Dajun rejected the offer and proposed the establishment of the Shenzhen New Technology Development Corporation under the leadership of the "Shenzhen Petrochemical Industry Corporation." His proposal won the approval of the authorities and the appreciation of the Shenzhen mayor at the time.

Zhao Dajun's Shenzhen New Technology Development Corporation and the "such and the such technology development corporation" run by a swindler named Liu Haoran are totally unrelated. Our previous report on this might easily lead the readers to confuse Liu's corporation with the corporation of which Zhao Dajun is general manager. This problem must be clarified. Zhao Dajun has never been an honorary chairman (not even in name) of the board of directors of Liu's corporation. Zhao Dajun is the general manager of the Shenzhen New Technology Development Corporation. However, I have yet to find out whether or not Liu Haoran used Zhao Dajun's name to do evil things without Zhao Dajun's consent.

I have a friend involved in the work of the Ministry of Foreign Economic Relations and Trade. Not long ago, he made a long-distance call from Beijing to Shenzhen to talk to Zhao Dajun. According to this friend, Zhao Dajun is as tall as his father. However, the former is skinnier and paler than the latter and is more like a scholar than a businessman.

Hu Deping the Scholar and His Magazine

Hu Deping is even more like a scholar. It was reported in "Notes on a Northern Journey" that some people have exposed Hu Deping's involvement in commercial activities. Hu Deping is Hu Yaobang's eldest son. Regarding this person, "Notes on a Northern Journey" has suggested that "people tend more to believe that he wants to make his study of the 'Dream of the Red Chamber' and his QINGNIAN LUNTAN a success than to believe that he wants to seek personal gain as the manager of a certain company." The author of this article is among the "people" mentioned here. Since I received the letter from the editorial board of CHENG MING, I have been indirectly gathering information about Hu Deping and his deeds. Fortunately, I have a few friends who have contacted Hu Deping before.

Hu Deping, 46 or 47, was born during the war. When he was a small child, he lived with the family of a peasant named Liu Qichang and was renamed Liu Hu. Later, he was reunited with his parents and he resumed his surname, that is, Hu. Since his graduation from a university, he has been interested in the study of the "Dream of the Red Chamber" and the history of the Ming and Qing Dynasties. He is taller than his father and looks like a scholar. Unlike his father, who likes to stress his points with exaggerated bodily movements, he is gentle and suave.

In 1980, Hu Deping was elected deputy director of the Beijing Historical Museum. Two years later, he and some young and middle-aged experts and people interested in the study of the "Dream of the Red Chamber" formed a society for the study of the "Dream of the Red Chamber;" he was its first president. Later, they rebuilt "Cao Xueqin's residence" near the Sleeping Buddha Monastery on Beijing's Xi Shan. This organization is supposed to be a civilian academic organization. However, it is said that the Beijing municipal authorities finance it.

Hu Deping is interested in cultural affairs and the study of the "Dream of the Red Chamber," and he has indicated his desire to work with the China Federation of Literary and Art Circles. However, Hu Yaobang advised him not to study the "Dream of the Red Chamber" any more but to enter the Organization Department or work on the Central Party Consolidation Guidance Commission (under the leadership of Bo Yibo). Finally, Hu Deping became a leader of the Hunan-Hubei Liaison Group.

Later, Hu Deping founded his QINGNIAN LUNTAN in Wuhan. The first few issues of QINGNIAN LUNTAN were indicative of the magazine's unique qualities among the country's more than 3,000 journals and periodicals. In the first issue of QINGNIAN LUNTAN, Hu Deping published an article on freedom. His views were quite liberal. The article was reprinted in RENMIN RIBAO, and it attracted the the attention of Beijing's cultural activists. Liu Binyan has also published an article in QINGNIAN LUNTAN to criticize some authorities for their mistake of regarding their "false principles" as "truths." The views expressed in some of the articles published in this magazine are even bolder and more liberal. These articles could be contributed by some "fearless young people." As a "nongovernmental periodical," QINGNIAN LUNTAN has to raise its own funds. However, this could well be hearsay.

Mrs Hu Is in charge of Foreign Trade and Tourism in Xiamen

Hu Deping's wife is An Li, whose father is An Ziwen. Before the "Cultural Revolution," An Ziwen was the head of the Organization Department under the CPC Central Committee. During the "Cultural Revolution," the gang of four accused him of being a "traitor" and "leader" of one of the 61 "traitors cliques," namely the "An Ziwen traitor clique." After the "Cultural Revolution," he was once a member of the CPC Central Committee. An Li is also a university graduate and her field of specialization is in the natural sciences. However, in March 1985 she was transferred to Xiamen City, where she is now in charge of foreign trade, tourism, and Overseas Chinese affairs. Thus, it was once rumored that Hu Deping would go to Fujian to be Xiang Nam's assistant.

In 1985, Hu Deping visited Shenzhen several times. It is said that Hu Yaobang once said to some "cadres heading for the south: "In Shenzhen, you can enjoy a capitalist material civilization on the one hand and have security with your iron rice bowls on the other. It is also said that after being informed of this, Chen Yun criticized Hu Yaobang: At present, it is necessary to smash the iron rice bowls. However, you are advocating this practice. In fact, Hu Yaobang did not say the above things to Hu Deping. Although Hu Deping could "enjoy a capitalist material civilization in Shenzhen," he did not "have a socialist iron rice bowl." Some people suggest that Hu Deping went to Shenzhen to broaden his mind. Others say that he went there "to play the second banana," that is, to be with his wife, who is in charge of foreign trade and tourism and who was visiting Shenzhen. There are still others who have suggested other things. However, I am afraid that there is no need to devote too much effort to judging these conjectures. A Hong Kong businessman told my friend in Beijing that he had done one piece of business through Hu Deping. I think that this "through" does not imply anything. Playing the role of a bridge in the trade between China on the one hand and foreign countries, Hong Kong, and Taiwan on the other is something praiseworthy provided that the law and discipline are not violated.

Despite the Differences Between Hu Yaobang and his Son, Hu Yaobang Praises His Daughter-in-Law

It is difficult to determine the source of the news that some senior CPC members have exposed Hu Deping's involvement in commercial activities. My subjective opinion is that there are three possibilities:

First, the news may have leaked out in the course of QINGNIAN LUNTAN's fund-raising activities; second, the news may have leaked out in the course of Hu Deping's involvement in a piece of business as a go-between; and third, it may have been revealed by a certain minor report. However, since this issue involves many things and since it is difficult to know the whole truth, I will not comment on it here. I hope the readers will understand my difficulties. Indeed, it is difficult to tell which of these three possibilities can best account for the leak.

According to those friends who have met Hu Deping and his wife, the couple looks honest and decent. It can be inferred from the differences between Hu Deping and Hu Yaobang over a number of issues that the former does not want to seek wealth and power as the son of an influential father. One of my friends said: "If it is inevitable that man should be interested in wealth and fame, then, as far as I can observe, Hu Deping is one who is more interested in fame than wealth." My friend is not a physiognomist. However, it is difficult to foretell whether or not he will yield to the pressure his father puts on him and become a member of the second or third echelon."

Another friend who knows Hu Deping told me: "Hu Deping is amiable and easy to approach. He leaves a good impression with those who work with him. There are many people currying favor with him. I am not sure whether or not he is aware of this." He also told me that An Li was an upright person and that it was she who asked Hu Yaobang not to move to Zhongnanhai. Hu Yaobang took her advice and did not move. Of Hu Yaobang's seven children (including daughters-in-law), six are university graduates. Although Hu Yaobang may not be fondest of Hu Deping (maybe the old man treats all his children "equally and without discrimination"), he praises An Li most often.

The Involvement of Another of Hu's Sons in Commercial Activities

According to information gathered, we can definitely say that Zhao Dajun is involved in commercial activities. As to whether or not Hu Deping is also involved, it is hard to tell. I would like to repeat once again that I "tend more to believe that Hu Deping wants to make his study of the 'Dream of the Red Chamber' and his magazine a success than to believe that he wants to seek personal gain as the manager of a company."

Nevertheless, a younger brother of Hu Deping is very much interested in doing business. Although he holds a mid-level post (something like a director) at an energy corporation in southwestern Guizhou, he is highly authoritarian; even the manager has to obey him. It seems that "your son" mentioned in Chen Yun's letter to Hu Yaobang refers to another son of Hu Yaobang, not Hu Deping.

In recent years, there are too many children of the high-level cadres interested in doing business like the second son of Hu. Xi Zhongxun's eldest son, the former magistrate of Zhengding County, Hebei, expressed dissatisfaction with his job and determined to give up his official post and run a business.

Xie Xingming, second son of the late Xie Juezai, former procurator general of the Supreme People's Procuratorate, sold bicycles in Shenzhen last year. He purchased each bicycle at the price of 160 yuan and sold it at above 200 yuan in Shenzhen. Some people said that he was reselling bicycles at a profit. He insisted that he was doing business by appropriate means. Who is willing to do business without making a profit? Those stricken by business fever include children of influential families as well as spouses of high-ranking cadres. Some widows of deceased high-ranking officials also intend to become entrepreneurs. It has been reported that Mrs Xie Juezai has run a company together with Deng Xiaoping's younger brother in Beijing. The "strong women" of another company include He Long's wife Xue Ming and others.

In a report carried in CHENG MING No 99, I intended to convey the following message to our readers: The struggle between the reformers and conservatives is hanging by a thread and tends to intensify by each passing day. If Hu Yaobang and Zhao Ziyang have given the conservatives a weapon, the conservatives have also in turn given the reformers a weapon against themselves.

Chen Yun's Son Also Has a Record of Engaging in Business

Chen Yuan, former Standing Committee member of the Beijing Municipal CPC Committee, is Chen Yun's beloved son. He assumed the post of first secretary of Beijing's Western District CPC Committee. While in office, he did business with a Japanese company with the assistance of a student called he who studied in Japan. It has been reported that he used Western District public funds in doing business. Consequently, he lost money in the business and had to submit himself to investigations by the Discipline Inspection Commissions of the CPC Central Committee and Beijing Municipality, respectively. Regarding the misappropriation of public funds and loss in business, the big problem was turned into a small problem and the small problem into no problem at all. Finally, he was transferred and promoted. Although this report remains to be verified, the information is valid as it has been leaked from the municipal CPC Committee. We do not know whether Chen Yun, who is strict with himself, is aware of the matter or not.

Some people say that if Chen Yuan had not been involved in the above case, he would have joined the secretariat of the Beijing Municipal CPC Committee. Others say that Chen Yuan changed his work style somewhat after being transferred from the municipal CPC Committee. The public expects him to learn from the moral character of Chen Yi's son Chen Haosu.

Chen Haosu, a graduate of Harbin Engineering University, was first secretary of Beijing's Fengtai District CPC Committee 3 years ago and was later promoted to the rank of secretary of the Secretariat of the Beijing Municipal CPC Committee.

Probably influenced by his parents, Chen Haosu is interested in literature, art, and culture rather than business. With the rise of Beijing's "new student movement" last year, Chen Haosu, entrusted by the municipal CPC committee to Beijing University, ate and lived together with the students from "18 September" to "9 December" and played the role of mollifier. The leaders of the student movement in Beijing University questioned him face to face: "You are so young. What political and professional qualifications do you have to hold such a high ranking post? After all, you rely on your father's influence! Anyhow, we still respect our revered Comrade Chen." Chen Haosu was not angry at these remarks. He replied: "I have not relied completely on my father's influence. I firmly believe that my father in the nether regions will not feel ashamed of me as secretary of the municipal CPC Committee."

Although Chen Haosu lacks boldness in work, he is upright and diligent in studying. Like Hu Deping, he prefers fame to gain.

Records of Sons of Bo Yibo and Ye Xuanping Involved in Business

Although Bo Yibo, the leader responsible for party rectification, has repeatedly called for checking "unhealthy tendencies," he has failed to be strict with his own children. A son of Bo Yibo is known in Beijing's commercial circles as "persona non grata."

In the autumn of 1985, Bo Yibo's son ran the "White Peacock Arts and Crafts Center" with some of his close friends. He was prosecuted later for engaging in illegal business. However, he escaped by cunning maneuvers. As he resigned from the arts and crafts center, his close friends had to appear in court.

Under someone's recommendation, Bo Yibo's son was to assume the post of mayor of Nanjing. However, a deputy secretary of the Central Discipline Inspection Commission requested the Organization Department of the CPC Central Committee not to make the appointment because Bo Yibo's son had a bad record.

Another son of Bo Yibo, the former director of an enamel factory, was later promoted to the post of manager of the Beijing Arts and Crafts Company. He led a Chinese arts and crafts delegation to Western Europe. On returning home the delegation was suspected of seeking illicit gains and was put under investigation. Some members were removed from their posts, but Bo Yibo's son remained in office.

It has been reported that Ye Weiping, son of Ye Xuanping and grandson of Marshal Ye, worked in a Shenzhen Special Economic Zone exploitation company. This company is probably the state unit that is in the joint venture of the modern Shenzhen Customs Building with Hong Kong businessman Hu Ying-hsiang.

Wang Zhen's Son Cooperates With Deng Xiaoping's Son-In-Law in Macao

Children of senior cadres do business on four levels: The highest level means Western countries, the second highest means Hong Kong and Macao, the third highest means Shenzhen, and the lowest means Guangzhou. All of them want to do business in Western countries and Hong Kong. Figures in Beijing trade circles are quite aware that Wang Zhen's son Wang Jun and He Biao's son He Ping (his wife XiaoRong is Deng Xiaoping's daughter) went to Macao a few months ago to run a firm under the International Investment Corporation. One was managing director and the other was general manager. It is still questionable whether or not they are working as best partners.

A cadre engaged in foreign trade in Beijing said: "Cadres' children working in state-owned commercial organs are different from the businesses undertaken by the collectives or individuals." What he said is positively correct. However, if party work style is not straightened out, privileges are not eliminated, and the legal system is not maintained, cadres of state organs may also engage in private business, use public office for personal gains, and reap exorbitant profits. A son of a cadre spoke contrary to the cadre engaged in foreign trade. He held that doing individual or cooperative business is beyond reproach, provided the law is not violated. He was against broadening the scope of a specific mistake and maintained that all capable people (including cadres' children) willing to engage in business may do so under the circumstances of the establishment and perfection of the legal system.

I think this idea is acceptable. Although the "senior cadres" of a number of Western countries are not allowed to engage in commercial activities, their children have the right to do business. As a matter of fact, British Prime Minister Thatcher's son is a businessman. What harm can he do to Britain by being a decent businessman? Why are the conditions in China special? The main reason is the decadent party style and rule by man under one party leadership in China. In addition, the privileges of cadres can be abused by their children to reap exorbitant profits in business. If party style is corrupted and the legal system is not maintained, the cadres' children, though not apparently meddling in business, can carry out "underground activities." Even if they are completely cut off from the commercial field, they can also make money by other illegal means. Therefore, it is tantamount to turning logic upside down to say that forbidding cadres' children to do business will be conducive to improving party work style.

Deng Pufang Stays in Guangzhou for a Long Time and Plans To Engage in Shipping

In a word, the key to the problem is not doing business in a state-run shop or a shop run by individuals, but whether or not it is appropriate and legal. The son of a cadre continued: "It would be a good thing to do business for the public interest and earn money to support public undertakings." He gave an example of Deng Pufang to explain his viewpoint.

Deng Xiaoping's son Deng Pufang has racked his brains to raise funds for the foundation for the disabled. Now he is living in the Guangzhou Garden Hotel (it is possible that the hotel is entertaining him free of charge), trying daily to collect money for the foundation. Some people say that Deng Pufang is interested in doing ship business. He provided for the disabled by purchasing old ships from some north European countries and dismantling them (some people say that Deng Pufang is taking the opportunity to make a profit). The magazine SANYUE FENG [MARCH BREEZE], under his direction, carried some outstanding works, including half of Liu Binyan's literary works. Why "half?" Actually, Liu Binyan wrote something for Beijing's BAOGAO WENXUE. When the newspapers carried this reportage, the Propaganda Department of the CPC Central Committee ordered the magazine not to publish it, because Shaanxi had lodged a complaint against Liu Binyan saying that his reportage "undermined" Shaanxi's party rectification work. As a result, the reportage was divided into "The Story of Tang Anhua" and "The Ancient Castle, Past and Present." The two parts were sent to the magazine SANYUE FENG and ZHONGSHAN respectively.

A friend who had some contacts with Chen Yun's sister-in-law (Yu Ruomu's younger sister) Yu Lulin also intended to set up a "Sayuan Exploitation Company" to provide for the Zhonghua Social University run by herself. But the company's application for a business license was withheld for a long time by a vice minister of economy and trade. The people who knew the case showed sympathy for Yu Lulin. Some of them said: "When the party ran the Life Bookstore in Shanghai during the 1930s, did Xu Boxin not do business to support the bookstore?"

False Reports in Party Newspapers and Periodicals

Some overlords of the CPC have arbitrarily regarded news exposing their "domestic scandals" as "rumors" and the facts reported by foreign news agencies as "fabrications." In fact, such a course of action is out-and-out deception. This reminds us of the "Cultural Revolution." When the gang of four discovered news exposing their crimes, they abused them as "rumors" and threatened to "trace the rumors to their sources." Glossing over faults is not the creation of the gang of four but the common failing of the CPC over decades. Recently, the CPC has called for strengthening party rectification. We hold that vigorous measures should be adopted to check unhealthy tendencies.

Naturally, the news carried in CHENG MING and other overseas periodicals cannot all be accurate. Hong Kong newspapers usually make minor mistakes while reporting Hong Kong news, to say nothing of restricted news. Do the newspapers and periodicals of the CPC never make mistakes? They do and occasionally make many mistakes. Apart from inaccurate reports, they have also been deliberately fraudulent.

Leaving aside past problems, mainland newspapers published a series of reports recently. The so-called "Space Visitor," "DDT Mixed With Maotai," "Mathematician Chen Jingrun Giving Guidance to Cui Huaijun in Studying," and 5-year-old Liu Xiaobin who had super-intelligent powers, "used 6 nights to finish his first primary school textbook and the same speed to finish his secondary school mathematics; physics, and chemistry courses" and was "enrolled by the Chinese Academy of Sciences as a student in the preparatory class for youngsters" (dispatched by the XINHUA NEWS AGENCY) were all false reports and sheer fabrications.

The Fake Photograph in JIEFANGJUN BAO and Falsehood to the Utmost Degree

In addition to the false reports, there are also fake photographs. These fake things are nothing new. On 29 May 1985, ZHONGGUO FAZHI BAO carried a picture of a police-woman asking the masses of the Lisu nationality about household registration. A month later the picture appeared in ZHONGGUO FUNU BAO saying that the policewoman was asking about "the progress of family planning." Later MINZU GONGZUO No 8 also reprinted the picture. This time the policewoman was asking about "the experience of taking the road to prosperity." This is not unique, but has its counterpart. On 28 October the same year, ZHONGGUO FAZHI BAO carried a picture of "a group of young people discussing the question: When soldiers are shedding blood at the front, what should we do in the rear?" When the picture was reprinted in ANHUI FAZHI BAO, it became "a group of young people having a get-together." The most typical case of a "fake picture" was the picture carried in JINGJI RIBAO depicting "Army and people united as one to combat flooding" in Panjing City in the summer of 1985. Actually the picture was reprinted from JIEFANGJUN HUABAO No 10 of 1981. Furthermore, the picture in JIEFANGJUN HUABAO showing a PLA soldier courageously saving an old woman from the flood in Rongchang County, Sichuan, was not genuine. The photographer invited an old woman from the house for the aged. He took the photograph of a soldier carrying an old woman on his back with the collapsed houses as the background. This is the way they implement dual falsehood.

The Party Organ Says There Are Three Kinds of False Reports

The problem of resorting to deception in press reports is so serious that the CPC itself feels ashamed. On 3 January this year, RENMIN RIBAO published an article, saying: "Truthfulness is the life of press reports. This is an old saying repeated over the years. However, some untrue reports are still published from time to time. The first kind of these reports is based on hearsay evidence. The source of the report 'DDT Mixed With Maotai' was from the grapevine 'revealed by local masses.' It passed from place to place, and eventually became 'evidence' on which the reporter based his report. The second kind of false reports are reports based on specious arguments. The peasants of Pingli Village, Shuitou Township, Xinning County, Hunan, caught a stump-tailed monkey. An examination was made by county biology teachers, prefectural and provincial experts, and China's 'Savage' Research Society. They unanimously determined that it was not a 'savage.' However, some newspapers, magazines and broadcasting stations at home gave enormous publicity to the 'living savage.' Some newspapers and magazines abroad run by Chinese also published these reports one after another. The third kind of false reports are reports which are recklessly concocted. The article 'Facing a Fanciful Desire of a Guest From Hong Kong' published by a certain magazine was a inferior product of this kind."

A Funny Mistake of "Putting Lin's Hat on Li's Head" made by XINHUA NEWS AGENCY

"Inaccurate" reports which mislead the readers are published often. Let us take a recent example which is connected with Hong Kong. This was a report by XINHUA NEWS AGENCY putting Lin's hat on Li's head.

The report was carried in CANKAO XIAOXI on 12 December 1985, which is published by XINHUA NEWS AGENCY (General Office in Beijing). This was a report mainly describing how Ji Pengfei was welcomed by Hong Kong press circles. It also said that some newspapers "made use of Ji's visit to attack China." Who used it to attack China? It only mentioned two newspapers HSIN PAO (HONG KONG ECONOMIC JOURNAL) and TSAICHING HSINWEN (FINANCIAL DAILY). This XINHUA report said: "One day before the arrival of Ji Pengfei, Li I, editor-in-chief of HSIN PAO, used the pen name Chi Hsin to publish an article 'Notes on Director Ji Pengfei's Visit to Hong Kong.' This article...."

Li I is the editor-in-chief of CHIUSHIH NIENTAI. The magazine once revealed that Chi Hsin was Li I's pen name. The editor-in-chief of HSIN PAO writes a commentary almost daily, published in the upper left-hand corner of the front page.

His name, Lin Hsin-Chih, in large characters, is printed in written form. This is known to all people in the press circles. Why did the XINHUA report from Beijing issued on 10 December put "Lin's hat on Li's head?" (Editor's note: We believe that Director Xu Jiatun was not responsible for going over the manuscript. Otherwise, he would have found the mistake, because both Mr Lin and Mr Li were reportedly invited by Director Xu to a simple dinner. He would have known them.)

In recent years, false reports published by newspapers and periodicals on the mainland and by XINHUA NEWS AGENCY have not been regarded as rumors. The malpractice of deliberately publishing misleading reports is not regarded as spreading rumors either. So, why do the CPC departments concerned always regard as rumors those reports on the mainland published overseas which they think are not beneficial to the CPC, whether they are true and accurate, or are sheer fabrications and inconsistent with the facts because of careless mistakes? If these reports are basically consistent with the facts, or are based on certain facts, why do they flatly deny them? Why do they regard them as "fabrications" and "rumors" which are "not worth refuting?" Can they convince people by doing so? This can only aggravate their credibility crisis at home and abroad.

We think that the above-mentioned XINHUA report, which "puts Lin's hat on Li's head" and "misleads people" is a careless mistake rather than a deliberate rumor, although such a report should not have been published. We hope that those party overlords in Beijing and Hong Kong will draw a lesson from this incident. They should overcome their bad habit of randomly putting labels on others. Can they do so?

ARMED FORCES STRATEGY SHIFT SEEN 'REVOLUTIONARY'

HK160408 Hong Kong TA KONG PAO in Chinese 16 Feb 86 p 1

["Special Dispatch": "Shift in China's Strategy for Building Armed Forces Shows New Evaluation of World Situation"]

[Text] Beijing, 15 Feb -- Li Desheng, political commissar of the National Defense University, says that the shift in building China's armed forces foreshadows the arrival of a golden age for armed forces. The present 1 million reduction in armed forces personnel helps to speed the modernization of the armed forces.

Li Desheng made these comments at a forum convened at the National Defense University by the editorial board of JIEFANGJUN BAO. He was speaking on the question of how to adapt the strategic shift in the guiding idea on building the armed forces. Today's JIEFANGJUN BAO prints the speeches at this forum on the top half of the front page.

Speaking on the objective basis for a strategic shift, Zhang Zhen, commandant of the National Defense University, said that in accordance with its scientific analysis of the international situation, the Central Military Commission has made a policy decision designed to create a strategic shift in the guiding idea for building the armed forces, based on the needs of developing the national economy and strengthening national defense. Zhang Zhen said that, taking an overall view of the world situation, although the danger of war still exists, and small-scale wars are continually breaking out, a world war is by no means imminent, and there may be no major war within this century or for even longer than that. There are hopes that world peace can be preserved. He said: It can be said that the Soviet Union and the United States, which are capable of fighting a major war, have achieved parity of strength, with neither enjoying superiority over the other. Neither of them would dare take reckless action. At the same time, the development of nuclear weapons is changing many traditional concepts of war.

The increase in the number of nuclear bombs has correspondingly made the launching of a war a more complex and serious matter, and the superpowers have no choice but to weigh the pros and cons of launching war. Even more notable is the fact that the growth of the forces for peace throughout the world exceeds that of the forces for war. People throughout the world are demanding peace and opposing war.

He stressed that, judging by the present situation, it is not objective to talk of "the wind rushing through a tower heralding a rising storm in the mountains" and to say that war is imminent. We are in fact faced with a relatively stable period of peace.

Political Commissar Li Desheng said that in making a strategic shift in the guiding idea on building the armed forces, we should switch from basing our work on the war readiness posture of "fighting an early, major, and nuclear war" onto the normal track of building a regularized and modernized revolutionary army during a period of peace. This shift can be described as another fundamental and revolutionary change in the history of our Army, and this policy decision is another epoch-making decision in the building of China's armed forces.

The participants in the forum also reviewed the lessons of history. They proposed that the present good opportunity should not be missed. It is necessary to set our sights on the advanced, redouble efforts, and rouse ourselves in order to catch up. They said it is necessary to focus on the macro, start with the micro, and stimulate all-round implementation of a major shift by creating specific shifts.

NAVY INVESTIGATION TO REVIEW 1985 ACCIDENTS

HK140839 Hong Kong MING PAO in Chinese 14 Feb 86 p 5

[Special dispatch from Beijing: "Authorities Demand a General Inspection of the Chinese Navy Because of Numerous Accidents"]

[Test] A noticeable problem faced by the Chinese Navy last year was numerous accidents, some of which were rather serious. The authorities demand a group-by-group general inspection of the vessels and the ranks of the Navy, as revealed by an enlarged meeting of the Standing Committee of the Navy's CPC Committee.

Held in Beijing from 18 to 26 January, this meeting dealt mainly with two things, namely, reviewing work in 1985 and assigning tasks for 1986. During the meeting, Li Yaowen, Liu Huaqing, and Wei Jinshan gave separate reports on the work in 1985 and the tasks, the building of the Navy, and party rectification in units at and below regimental level for 1986.

The meeting pointed out that in the past year, the Navy was successful in various work, with structural reform, streamlining, and reorganization of the Navy as the kernel of that success. However, the Navy still faced with many problems, the most noticeable being numerous accidents, some of which were rather serious.

As for this year's tasks, the meeting pointed out: The general tasks and requirements are to carry on the reform; continue to implement the "plan for implementation of the structural reforms, streamlining, and reorganization of the Navy;" strengthen the building of spiritual civilization; step up the process of revolutionization, modernization, and regularization of the Navy; and fulfill all assigned tasks.

The meeting emphasized: This year, it is necessary to concentrate our attention on the reform, the party, and work relating to the grass-roots level. In other words, the Navy is to conduct various reforms centering around the structural reform, streamlining, and reorganization of the Navy; to achieve a fundamental turn for the better in party style within the Navy during this year, with the Navy's leading organs and leading cadres taking the initiative, and to effect radical change in poor conditions of the Navy's grass-roots units within 3 years. To make progress in the building of grass-roots units, the Navy is to concentrate efforts on three aspects this year: First, an extensive group-by-group inspection of the vessels and the ranks of the Navy is to be carried out, with the aim of solving a number of problems, second, efforts will be made to improve the quality of cadres, especially grass-roots cadres; and third, efforts will be made to improve leadership style and emphasis will be on real actions.

In accordance with the guidelines laid down by the party rectification forum in the PLA, the meeting has mapped out the procedure for party rectification in Navy units at and below the regimental level and for review of the condition of those organs at and above the division level which have undergone party rectification once. The meeting emphasized that party committees at all levels must earnestly take charge of leadership over party rectification in units at and below the regimental level, and that straightening out party style must be stressed in reviewing the condition of those organs at and above the division level which have undergone party rectification once.

The meeting also discussed the short and long-term goals of coastal defense, the Navy's structure and establishment, development of arms, training of personnel, battlefield works, logistics technical protection, equipment repair, research of naval military technique, and other important questions.

Present at the meeting were members of the Standing Committee of the Navy CPC Committee, the principal leaders of units at and above the Army level and military institutes directly under the Navy, and some leaders of the Navy Discipline Inspection Committee and Navy headquarters.

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